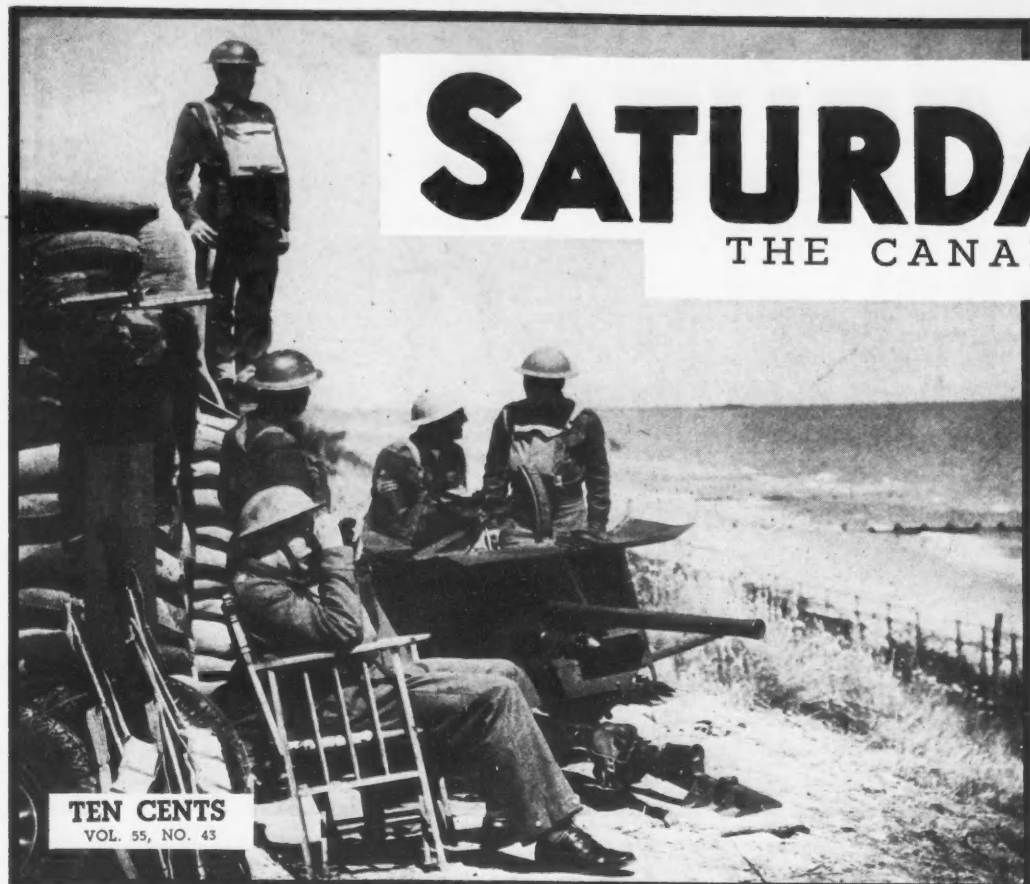
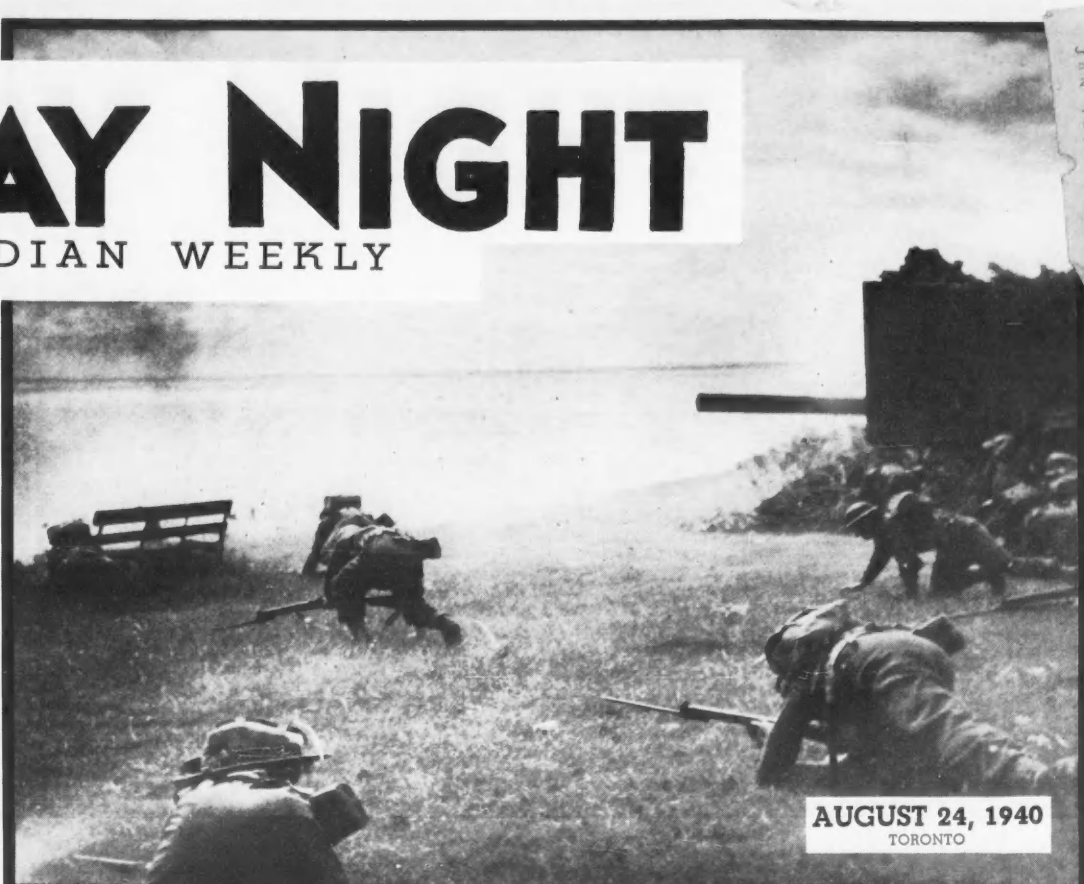


SATURDAY NIGHT

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THE American people are becoming increasingly aware of the fact that, whether they intended it or not, they have already given Germany ample pretext for making war upon them if and when she gets through with Great Britain, provided that she desires to do so. They could hardly indeed do otherwise, for the truth is that while they can perfectly well afford to let a non-aggressive and "satiated" power like Great Britain enjoy large possessions in the hemisphere which they dominate, they cannot possibly afford to let any important place among those possessions fall into the hands of an aggressive power like Germany. Hence the Monroe Doctrine, which used to be a somewhat academic matter in regard to the Northern part of the hemisphere, has become a matter of the first importance in relation to Canada and the West Indies; and the problem of giving it practical effect has become an outstanding feature in the defence policy of the United States. That this should lead to consultation with a view to common action for the unitary defence of North America is eminently natural. We cannot say that we have yet seen any reason why it should lead to anything more formal—anything, for example, in the nature of a treaty binding both Canada and the United States to a specific course of action in the event of an attack upon either of them. There is a rather strenuous demand for such a treaty in certain quarters in the United States, but the reasons why the demand is being urged are not yet clear.

There is some reason to fear that those who urge this demand have shrewdly calculated that a moment in which Great Britain is in considerable peril at home is a moment in which Canada must necessarily feel considerably more dependent upon the United States than she ordinarily does, and that this feeling of dependence should be taken advantage of in order to secure permanent treaty concessions which Canada will be less willing to grant when Great Britain is again safely out of the woods.

This same desire that the United States should get what pickings it can at the expense of the British Empire as a result of the difficult position in which Great Britain finds herself is also responsible for the lively demand voiced in certain American quarters that the United States should insist upon the surrender, or at least the long-term lease, of various strategic defence points in the Western Hemisphere as the price of the turning over of the American fleet of obsolete Great War destroyers. The pretext for this demand is that in the event of Great Britain's defeat, Germany would naturally make a claim for the defence positions in question, and that if they had already been transferred to the United States the claim could not be urged with the same degree of validity. The truth seems to be that if Germany succeeds in defeating Great Britain, she is likely to put in a demand for anything in this hemisphere that the United States is not able to defend; and that the mere fact that certain highly desirable places were transferred to United States ownership a few weeks or even days before the collapse of Great Britain would make very little difference to German rapacity. However the question of destroyers versus West Indian bases is one for the British to determine, and if the British need for destroyers is sufficiently great it would clearly be wise to purchase them no matter what the price.

Canada, whose freedom from German domination the United States knows that it must preserve in its own interests, is in a less necessitous position, and should be in no need of making any concessions of the far-reaching kind which have to be embodied in a treaty. The difference between a treaty and the present friendly collaboration is that the latter can be carried on by the American Executive, in whom Canada has entire confidence, whereas treaties have to be made by a two-thirds majority of the American Senate, a majority which can hardly ever be secured except for a treaty in which the United States gains everything and the other party little or nothing.

Beginning To Win

AS WE go to press, it looks very much as though Great Britain were beginning to win the war. If she can begin to win it, there is no reason to suppose that she will not be able to finish winning it, for nobody questions that in respect of the capacity for endurance she is immensely better off than Germany both morally and physically. If she succeeds in winning this war, the moral and psychological results will be very different from that which attended the victory of the Allies in the last war. The victory will be such that it will not be possible for the Germans to claim that they were not defeated, and in

view of the present nature of the German regime it will equally not be possible to blame the lack of victory on the undue toleration of any discordant elements within Germany itself.

The effect of a British victory upon the relative prestige of liberal and authoritarian forms of government will be so vast that at first people will be unable to apprehend it. It may seem strange that the destiny of two great rival concepts of government for possibly the next several hundred years should depend upon the superior courage and skill of a few thousand young aviators in Great Britain over their opposite numbers in Germany; yet such is unquestionably the case, and it is not so illogical as might at first sight appear. For it is British freedom which has made the British flying men what they are, and German state-worship which has made the Germans what they are. We are not suggesting that the business of establishing the superiority of democracy will be a short or easy one. It may last for years, and it may require the utmost effort of which the British democracies are capable in both the military and economic spheres. On the other hand, if the morale of the German air force can once be definitely broken, the enormous German superiority in men and mechanism in the land forces may become practically useless. What Britain's ships of the sea can never do, Britain's ships of the air may be able to accomplish—to invade and conquer Germany in her own territory.

The Feeding of Europe

AMERICANS, we find, are anxious to ascertain the views of Canadians on one of the most perplexing problems facing the United States at the present moment, the problem of its attitude towards the food needs of the German-occupied areas of Europe, and surprisingly ready to defer to Canadian opinion as that of a nation which is very much engaged in the war and therefore better able to take a realistic view of its conduct. We trust therefore that Canadians will, so far as the opportunity is given them, hammer home to the American mind the one all-determining fact, that to the German at war, military advantage is the only thing that matters; that considerations of humanity, of fidelity to promises, even of the opinion of powerful outside nations, are utterly without weight where there is the slightest military advantage to be gained; and that all this has been proved time and again, not alone by the frank admissions of German war theorists, but by the common practice of German war commanders.

A nation which systematically, deliberately and carefully bombed the civilian population of cities, towns and villages out on to the surrounding roads for no other purpose than to make them impassable for the opposing forces, and then machine-gunned the refugees to make the confusion more inextricable, is

not a nation which, when hard up for food, is going to allow the French and Belgians to consume supplies from the United States which it can just as well take from them. To feed the Belgians is to feed the German army. The promise of the Germans that food for the Belgians shall not get to that army has exactly the same value as any other German promise, which is nil.

The School Migration

ONE OF the most valuable elements in the migration of young Britishers to Canada which is now in progress under the pressure of German bombing is the transfer of whole residential schools to suitable premises on this side of the Atlantic. There is no part of the British juvenile population more easily transferable than this without emotional disturbance, for the participants bring a great deal of their habitual *milieu* over with them. Personally they are as valuable a type of human beings as can be selected, and in saying this we have no reference to their financial status; what we have in mind is solely their education, their educability and their moral character, all of which have high importance from the point of view of the country in which they will spend perhaps as much as the next three or four years of their lives. (If they stay here is of anything like that length we confidently believe that many of them will become Canadians permanently.) As a matter of fact many of them come of families which are far from rich; one of the best schools already transferred to Canada is operated primarily for the children of very moderately paid members of the professional classes, and the pupils do a great deal of their own domestic work instead of leaving it to servants.

Any other type of migration involves either the complete detachment of the child from his habitual *milieu*, or else the transfer of a parent or other adult relative for every two or three children, for the *milieu* in all such cases is the family itself. There are then grave risks of emotional disturbance and of maladaptation either of the children themselves or of the people with whom they are established. The transplantation of young human beings differs in no respect from the transplantation of trees; both need plenty of roots and a good quantity of the old familiar soil to get them well established in the new garden.

How to Prevent Strikes

BOTH the A.F. of L. and the C.I.O. in the United States have come out in agreement (for the first time in a long while) in opposition to the proposed draft for military service in defence of that country. The reason for the difference between this attitude on the part of organized labor and that of the same element of the population in Great Britain goes a

THE PASSING SHOW

BY HAL FRANK

PEOPLE may belittle Canada's war effort, but up to the moment it looks monumental besides Italy's.

Question of the Hour: "Do you think there's still time to get a tan?"

Let us not be fooled by the superficial differences between communism and fascism. They're systems under the skin.

Hitler says he never wanted to attack the British. In other words, the assault on the island fortress hurts him more than it hurts Great Britain.

Hitler Has Something Up His Sleeve, is the report from a neutral source. It'll have to be an improvement on his Air Arm.

Now that we all have to carry registration cards, you can tell the man with only one suit. There is no strain in his face.

The Germans are a very resourceful people, but they still have to think up a weapon that will destroy the British sense of humor.

And you will know it is Utopia, too, because when you buy a map of the world you will have the satisfaction of knowing that shortly you won't have to turn it in on a new one.

A reader remarks that Herr Hitler may have been able to induce a slave mentality among his own people, but he never can succeed in dumbinating the rest of the world.

A newspaper commentator says that after the war is over the world "will never be the same again". That's not a typographical error, that's sound judgment.

First Citizen: "You look tired. You ought to take a vacation."
Second Citizen: "I've just returned from one."

Torrid weather makes for bad tempers, says a medical columnist. We know, it isn't the heat, it's the humidity.

Esther says she's awfully glad the government introduced registration. She says she found out more things about herself than she ever knew before.

↑ THE PICTURES ↓

Great Britain, according to Prime Minister Churchill, is stronger than before the air blitzkrieg started. The R.A.F. is "turning the tide of war", there has been an "astounding" increase in armament production and Britain is now so strong on land that she is able to divert strength to deal with the Italian Army. Our pictures, left and right, reveal the sleepless watch that is kept on Britain's coasts.

great deal deeper than the mere fact that Great Britain is facing an immediate attempt at invasion and the United States is not. It has far more to do with the nature of the political authority which enacts and operates the conscriptive law in the two countries. In Great Britain, labor is not merely accepting conscription, but is accepting with equal readiness the suppression of labor's chief weapon, the right to strike. But in Great Britain a very large share of the political power in the country is in the hands of labor, and is vested in men who are the official representatives of labor and in whom labor has long-standing and implicit confidence.

We should like to see the right to strike suppressed in Canada, which is just as much at war as Great Britain, but we do not expect to see it suppressed, nor do we think it wise that it should be suppressed, until there exists in Canada the same guarantee of justice to labor as exists in Great Britain. That guarantee consists in the possession by the government of wide compulsive powers over all the factors in industry, capital, management and labor alike, and in the vesting of those powers in authorities in which labor has a thoroughly adequate representation, topped by a Cabinet in which labor, as we have insistently pointed out ever since Mr. Churchill became Prime Minister, has really a decisive voice.

The Canadian Government has secured from Parliament the same compulsive powers as the British Government, but it has not ventured to use them, and it would be extremely dangerous to use them as things are today, for the simple reason that the Government is not impartial, and nobody on the labor side would regard it as impartial, between capital and labor.

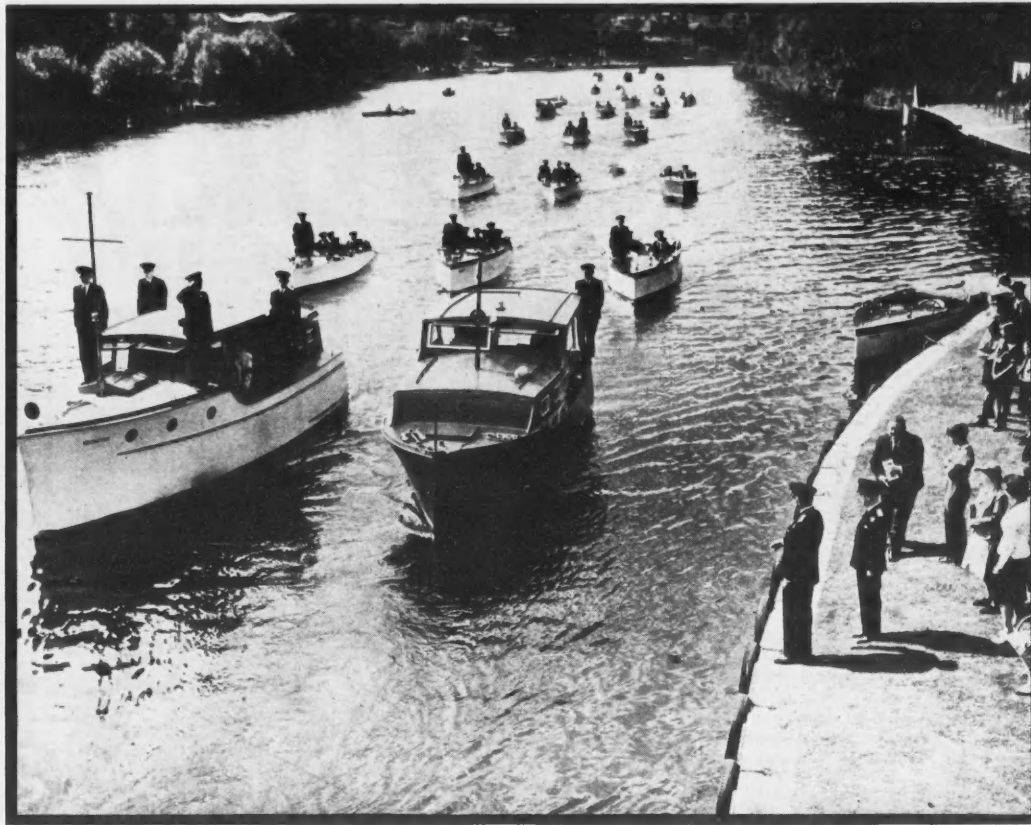
The Late Dr. Simpson

THE death of the Hon. Dr. Leonard J. Simpson, Minister of Education for the Province of Ontario, removes an excellent example of the country practitioner with a passion for politics and a notable gift for making friends. For thirty years Dr. Simpson knew as nobody else did exactly what the farmers of Simcoe county had in the backs of their minds; and what they have in the backs of their minds makes and unmake governments. A man of shrewd common-sense, he realized that his presence in the cabinet was due much more to his knowledge of the voters than to his qualifications as an educational expert, and he left the management of the Department very largely to his Deputy, who by great good fortune is an educational expert and a capable organizer, and who came into the Department at the same time as the new Minister and was thus unfettered by its somewhat musty traditions. In the general business of the cabinet Dr. Simpson was extremely useful, and he is reputed to have enjoyed an unusual amount of the confidence of Mr. Hepburn. A forceful speaker, he was much in demand in campaign times, but his own success at the polls was due less to his eloquence than to the fact that his electors loved him.

Understanding Our World

IT IS not often that a series of university public lectures, when gathered together and printed in a book, assume the degree of importance which we must ascribe to the series delivered last year at McGill University and just issued from the Oxford University Press, Toronto, under the title "The State in Society." For the problem of the proper nature of the state in a civilized community is not only the most important problem that we have to deal with today, but is the very problem over which we are fighting a tremendous war. Not that we are endeavoring to impose upon the Germans some kind of state which they do not want; but that the nature of the state which the Germans want, or have been induced to think for the moment that they want, is such that it cannot exist in peaceful collaboration

(Continued on Page Three)



Better Training, Better Plan, Better Machines

BY J. S. B. MACPHERSON

It was not all Fifth Columnists and parachuters that gave Hitler the victory in the Battle of Flanders. Hitler had three great advantages, says this expert. His men had better training, his commanders had a better plan, his whole organization had better equipment. But Britain is having time to catch up to him.

IN ORDER to understand the German attacks of 10th May and the following days it is necessary to understand what a commander in the field tries to do.

War has been defined as the continuation of national policy by force of arms, and the present war amply bears out the truth of this definition.

The commander of the army of a nation at war is, therefore, trying to impose the will of his nation upon the nation with which he is at war. This can best be done by occupying his territory, destroying his government, or forcing it to execute the victor's will, or by so disrupting national life and economy that the enemy gives in rather than face chaos or starvation.

It is practically impossible to do any of these things while the enemy possesses an organized army or fighting force. If you leave your own country unprotected while you occupy his he may invade you. He may elect to retire into his own country and later strike back, or strike at isolated detachments and force you to keep large garrisons permanently in the field, as China is now doing with Japan.

Therefore, the commander usually tries to seek out his opponent's armed forces and to destroy them.

In ancient times the destruction was literal. Practically the whole of the opposing army was killed or enslaved. Today, with the huge armies that exist, literal destruction is impossible. However, modern organization has brought in its train certain weaknesses. Armies can no longer live off the country. They require an enormous quantity of supplies of all sorts, food, clothing, ammunition, fuel, spare parts, and mechanical supplies of all sorts. If they don't get these they cease to function. This requires a most intricate system of transportation and supplies behind the fighting line, and this vast network of depots, transports, workshops and so forth is known as the "lines of communication". The lines of communication are the most sensitive part of an army's organization, and it is against the communications of an adversary that a commander always directs his operations.

In modern warfare a general does not aim at slaughtering all the enemy he can—killing is only incidental. He aims at destroying his adversaries' communications and thus rendering his armies helpless. Once an army's supplies are cut off it rapidly degenerates into a helpless mob. The army becomes a bloodless body.

It is this fact which causes a commander to retire, often without fighting, when his communications are merely threatened.

The Flank Attack

People often wonder what is meant by a flank attack, and why a flank attack is considered so deadly. There are two reasons. An army develops its maximum fighting strength to its front. If it is attacked in its flank, the troops on the opposite flank are useless, or have a long way to go before they can intervene in the fight, and if the attacked flank is driven back the attacker can reach the communications before the troops on the opposite flank can intervene. Also a flank is less easy to protect than the front.

An army is in this respect like an individual. An assailant coming from the side is less easy to deal with than one coming from in front. A man, however, can turn quickly to meet his assailant. To turn an army is a vast and complicated process, the bigger the army the more difficult to do, and the flank attacked may be driven in or destroyed before it can be done. Hence in modern warfare an army attacked in flank is usually forced to retire along its whole front, even on that part not actually assailed. It must not allow its communications to be cut, or even seriously interfered with.

There are, generally speaking, three ways an army can attack: (1) It can concentrate on one flank of its enemy and try to drive that in before the other flank can intervene or in its turn counter attack; (2) It can attack all along the line and try to envelop both flanks; (3) It can attack all along the line and use its reserves to break through at any parts of the enemy line that begin to show weakness. If this is successful the enemy's army is broken into two or more parts, intercommunication becomes difficult, the communications are directly threatened, and the broken parts may be attacked and beaten separately.

On the other hand, if the third method fails, the attacker finds himself exhausted along the whole front, and may in turn be subjected to counter-attack.

The third method offers the greatest rewards if successful, and the greatest loss if it fails. The Germans have never hesitated to take carefully calculated risks, and relying on their superior numbers, superior armament, and above all the effect of surprise backed up by a better organization, they adopted the third method.

One of the essentials of a sound plan of operations is that it should offer alternative objectives to the commander putting it into effect, while at the same time it deceives the opponent or keeps him in a state of uncertainty as to its ultimate objective.

Thus we see the German offensive begun on 10th May spreading rapidly until the whole front from the Western end of the Maginot Line to the sea was under attack. The first break through occurred near Sedan. The Germans pushed rapidly through and moved almost due west, at the same time exerting pressure on both the flanks of the gap in order to widen it.

Immediately the Germans had three alternatives: (1) To swing south and cut off the Maginot Line from the rest of France; (2) To roll up the flank of the north segment of the Allied armies; (3) To push straight on and cut off the north part of France from the south.

Thus we can see how the Allied staff was placed in a dilemma from the start. What would the Germans do? Which was the greatest danger to guard against?

It is easy to be wise after the event and realize now that probably the best manoeuvre would have been to fight rear guard actions to delay the enemy and to withdraw from Belgium and northern France at once, thus saving as much of the army and its equipment as possible. But such a decision would have had to be taken at once, and might have met with bitter opposition, and perhaps political interference or nullification from the Allied governments.

The Allies had been urging the Dutch and Belgians to join them in their resistance to German aggression. Therefore, their governments might very easily have felt bound to countermand a military decision which would

have meant the immediate abandonment of these two countries.

We must also remember that the Belgian authorities had themselves prevented any plan for joint action in just such an emergency from having been worked out.

As it turned out the Germans continued almost straight to the sea, and also widened the gap as they went.

Then a further break-through occurred, the defensive line gave way near Givet and the defending troops between the Sedan gap and the Givet gap had to retreat as rapidly as possible to avoid being surrounded. As a matter of fact thousands of them were captured, and instead of a mere gap having been opened up, the whole of the centre of the line had melted away.

Even after it was clear that an immediate attack to the south was not part of the German plan there were still two alternatives for the German commander, and two threats to be guarded against by the Allies. But which threat was the greater?

Would the Germans hold the army in the north, now cut off, and turn its main drive south towards Paris and the centre of France? Or would they hold against attacks from the south and try to wipe out the northern armies and secure the Channel ports?

While the issue was still hanging in the balance a further disaster overtook the Allies. The Belgian army gave up the fight.

Whether this caused the Germans to make their main effort northward rather than southward we do not as yet know. We do know what happened. The drive to the south slowed down and in most places almost came to a stop, while the pressure on the northern armies intensi-



WHETHER HITLER WILL ATTEMPT TO INVADE GREAT BRITAIN is a question no man can answer with certainty at the present time, not even Herr Hitler himself. He must achieve mastery in the air before such a hazardous adventure and according to Prime Minister Churchill he is far from success in that objective. Nevertheless, Britain continues with a quiet will to prepare for all eventualities. The upper photograph shows men in training on the beaches of the North West Coast, while the lower picture shows Canadians of the First Division repelling a mock invasion which may or may not at any time become the real thing.

↑ THE PICTURES ↑

THERE HAS BEEN A REVOLUTION in Great Britain, but one of the bloodless kind that emphasizes the adaptability of the race. Against a common menace all classes work shoulder to shoulder in a unity of effort that has drawn admiring, astonished comment from neutral observers. It is an event Hitler did not count upon and one which must give him cause for sober thought. The defence of Britain has become the paramount concern of every walk of life and nothing seems too radical now for the achievement of that end. Upper left, a girl artist watches the harvesting of oats and wheat in Bushby Park. The last time this land grew anything was in Napoleon's day. Right, pleasure craft which have become part of the "Home Guard Navy" which watches by day and by night the locks, reaches, towpaths and landing places of the Thames River.

fied. The final result was the loss of all northern France, and the whole of Belgium, culminating in the evacuation of Dunkirk.

The German success had been as great as any recorded in history, and had been on a far greater scale. For a single operation lasting about a month its achievements had been staggering.

Why was this so? We will deal only with the military reasons. Treachery, civil panic, and in certain cases low morale of the troops engaged, all played important parts. But these alone would not account for the whole of the Allied disaster.

The first purely military factor was superior training. Man for man it is doubtful if the German soldier was any braver than his opponent, but he was much more skilful. To carry out such an operation on such a scale required the utmost skill and training of all ranks. Each officer, each N.C.O., each man, must have known exactly what to do in all circumstances. Such perfect team work as was shown by the German army has never before been seen on such a scale.

The military lesson of the importance of training is probably the most valuable for us in Canada. The rapidity of the German movements called for the very highest training of all ranks. They must on many occasions have had to act on the most meagre instructions, and upon orders drawn in the most general terms. This calls not only for initiative, but a very high degree of training.

We are too eager in Canada to believe that because the Germans are willing, in fact eager, to accept discipline of a most rigid character, they also lack initiative. In fact their initiative is all the more effective because it has been subject to intense training.

During the eight months of virtual stalemate on the Western front the Allies were sending people on leave, and congratulating themselves on not having to call up for service additional classes of men. The Germans, it is now known, were practising intensive manoeuvres in Germany on a large scale. They were training their men, they were training their officers, they were training their staffs. From 10th May on, the results were all too apparent.

Allies Lacked Plan

The second military reason for the defeat is the lack of a sound plan of operations. It is true that the Germans seized the initiative and to a great extent our movements were forced to conform to theirs. However, enough authentic information has now become available to make it clear that large bodies of troops were moved about from position to position without ever coming into contact with the enemy, while others were fought to exhaustion. No plans for the protection or destruction of valuable gasoline supplies appear to have been made. Headquarters disappeared and could not be located by units under their command, and units vanished and couldn't be found by their headquarters. Only when General Weyand tried to rally his forces on the Somme and on the Aisne did the Allies appear to be acting on any definite plan, and then it proved too late.

The third military reason for the German victory is the tactical surprise achieved by superior equipment. In 1914 the Germans taught us that you couldn't overcome machine guns with bodies, and in 1940 we had to learn the bitter lesson that machine guns could not stop tanks. The Germans used modern methods and modern machines to the utmost. The Germans did not waste time weeping over the substitution of the lowly tank for the noble horse. They proceeded to learn all about the new machines and how best they could be used. Then they proceeded to equip themselves with the best machines they could devise.

These lessons, sharp as they are, need not cause us to despair. They have shown us the value of training, planning, and equipping for the fight. If the Germans have been able to do these things so can we. In the final analysis it is still the will to win that carries a nation to ultimate victory.

Civilization in Danger

BY OLIVER W. F. LODGE

CIVILIZATION is in danger. There is no doubt about that. It is being attacked from without and from within. Therefore it must be defended from within as well as from without. It is being attacked by a nation without art. Prussia is a nation without art. Prussia has no art but war. Germany has produced great poets and great musicians of course, but Germany has been Prussianized. When Civilization was equally in danger a hundred and forty years ago, the attack was conducted, in those days also, from within as well as from without.

Napoleon's armies invaded, or threatened invasion, everywhere. And the internal undermining had begun. In these cases the internal peril naturally springs up within the threatened civilization. A certain Macpherson was at work with his pseudo-Ossian. Macpherson's Ossian is poetry without form—free verse—windy shouting. Napoleon welcomed this ally with enthusiasm; a copy of Macpherson's book was usually at his bedside. And, alas, so great an English poet as William Blake was seduced by it. Owing to this malign influence the poet of the "Songs of Innocence" and "Songs of Experience" became the formless writer of his later years. Blake's great beginnings in poetry ran into the sandy and form-

the legendary founder of Gibraltar, is a poem against tyranny and invasion, very pertinent to these times, as it was very pertinent to Landon's. This lesson was learned, and learned thoroughly by Keats and Shelley, as Shelley's first good poem and Keats' best blank verse poem prove. Shelley's "Alastor" and Keats' "Hyperion" both show, very strongly, the influence of Landon's "Gebir."

By these means chaos was defeated from within, while Nelson, Pitt, and Wellington were defeating it without.

TODAY the same things are happening. Military power is invading and threatening invasion from without, and from within the threatened civilization comes the internal attack on form, the threat of chaos. Our Ossian is of course Whitman. The barbarism now spreading over one half the world is answered from inside the other half by Whitman's "barbaric yawp shouted," as he puts it, "over the roofs of the world." Whitman's heartiness is attractive, and at his best, in his most famous passages, he achieved form,—but he tends to relapse into mere catalogue and shouting. And his followers of course shout louder still. And the final goal of these is not art at all, but scare-heads and six-foot lettering on hoardings, and the megaphone. That way lies chaos and the dark age.

What we need now is some stern example like Landon's. Some poet who can influence our poets and lead them out of this backwater, back to the main stream and current of civilization, which has glowed through the ages from the time of Homer and kept civilization alive. Often there have been errors and sandy wanderings, but always, hitherto, there has been recovery, and mankind has returned to the main stream.

Anglo-Saxons are not pack-animals, and are not likely to run together down a steep place and choke themselves. They are highly individualized, and though some of them may take the wrong turning, as even so mighty a poet as Blake did partially in some of his later writings, there will always be others who will refuse to follow. Blake was misled by the pseudo-Ossian, but Wordsworth held on the old way, and Shelley and Keats learned an even nobler and more difficult way from Landon. They broadened this, and Ossian was deserted. Martin Tupper, his last disciple, perished in ridicule.

BUT now we are invited again, while Hitler is hammering at our gates, to pull down our shrines, to dethrone Shakespeare and Spenser and Marlowe, and to set up Whitman.

But why should we? Canada has no need to learn from the United States. She is the heir of greater things than even the greatest of the poets across the border can teach her. She is the heir of the great main stream of European culture.

Germany has her Goethe and her Gerhardt Hauptmann, great poets both of them. The United States has Edgar Poe, and Whitman. But we have a far greater tradition than either Germany or the United States. We have the greatest literary tradition of the Christian Era, a tradition which stretches from Beowulf and Caedmon to the present day, through Chaucer, Spenser, Marlowe, Shakespeare, Ben Jonson, Dryden, Milton, Marvell, Dryden, Burns, to Tennyson, Browning, Morris, Kipling, and Bridges, all great masculine spirits, filled with positive virtue, with loyalty and courage, with faith and imagination—not minor poets crying "I want," "I have not," "I lack."

Canada must take her rightful place among the nations. She is now the standard-bearer of Civilization, nor must she be Americanized. Alexandria kept the flame alight and passed it on to Rome. Canada must shelter it now in the storm and pass it on. She must Canadianize the United States. Whitman and his formless followers will go down before Shakespeare and Spenser and Milton, just as Tupper went down before them a hundred years ago.

FROM WEEK TO WEEK

Petain and Canada

BY B. K. SANDWELL

IN A recent issue of SATURDAY NIGHT, the hope was expressed that Canadians generally would abstain from the use of too harsh expressions concerning the present Government of France, for the reason that in certain parts of Canada there is bound to be a good deal of natural sympathy with that Government. The writer of this column is still of the opinion that such a course of action is desirable; but it will hardly continue to be possible unless the admirers of the Petain Government show a similar reticence and abstain from the use of harsh language and devoted Frenchmen outside of conquered France who are working with him for the ultimate conquest of Germany. And the Canadian admirers of the Petain Government are unfortunately not showing that reticence.

If the war were over, if Great Britain had surrendered as France did, and if there were nothing to hope for in Europe but an undetermined period of absolute German supremacy, the attitude of de Gaulle and his followers would be difficult to defend. In that event, no Government would be possible for France except one of which Germany would approve; and since the present Government is one of which Germany more or less approves, there would be no object in trying to replace it with a Government of another kind. (This statement needs to be qualified. If the condition which I have just described were really in existence, there would be one other kind of Government which one could seek to establish in France with some prospect of success. For by that time the German-Soviet Pact, which was accepted by Russia not with any desire for the supremacy of Germany, but with the deliberate intention of allowing the Western European nations to bleed themselves to death in conflict, would long since have been abandoned, and Russia would be doing all in her power, and not without some prospect of success, to effect a Communist Revolution in France.) But Great Britain has not been defeated, and there is an excellent prospect that Germany will be defeated, and in that event the Petain Government will certainly not be the final expression of the will of the French people. I find it strange that any lover of the French people should denounce a Frenchman for seeking to secure for that people a considerably freer expression of its will in the setting up of its governmental structure than it enjoyed at the time when Marshal Petain was put in power while the German guns thundered at the gates of Paris.

IT IS conceivable that from certain points of view, and in regard to certain of its actions, the Petain Government is a better government than the Republican Governments which preceded it during the last twenty years, and which, goodness knows, had plenty of defects, although I suspect that the people of France were as responsible for those defects as

the political system. But at least the Republican Governments were constitutional Governments, put in power by a method approved by the French people, and approved at a time when the French people were not only completely free from all foreign domination, but were themselves the most powerful military force on the Continent. The Petain Government, on the contrary, is entirely a revolutionary government. It is as revolutionary as the Government of Lenin and Trotsky which was set up in Russia, under closely similar circumstances, by the victorious Germans in 1917. Those who argue that loyalty to France requires the acceptance of the Petain Government today must also argue that loyalty to Russia required the acceptance by all Russians of the Lenin and Trotsky government in 1917. They do not so argue, because they dislike the Communist system and have no objections to the near-Fascist system which has been set up in France. But if they were to tell the truth, they would have to admit, not only that they like to see a Fascist system set up in France, but that they would have no particular objection to seeing one set up in Canada.

IT MAY be that the France of 1940 is no longer capable of operating the democratic system, which has never been claimed to be the easiest but merely the best method by which a civilized nation can govern itself. For myself, I prefer to think that France is exhausted, morally as well as physically, by the strain of being the foremost bulwark of democracy, and being very ill-supported by the other democracies (notably those on the North American continent), against the repeated onslaughts of a debased and Eastern authoritarianism as represented by her neighbor Germany. We other democracies, and particularly those of us in North America, at a safe distance from the German terror, have no right to censure France for being reluctant to sacrifice the best of her youth for a third time in seventy years, in a struggle in which we ourselves occupy the inglorious position of third and fourth line of reserves. But that does not mean that we have to accept the Petain Government, set up purely to make the best possible terms with Germany, as the ideal political structure for the French nation. What the ultimate political structure in France will be when the German terror has been disposed of, it is impossible at present to tell; but I find it hard to believe that it will be a structure in which men will be excluded from all political authority, and even from any but the least profitable economic occupations, merely because of the shape of their noses or the color of their skins. There may be elements in New France to which that system makes an appeal, but Old France has been too long devoted to the ideals of liberty, equality and fraternity to succumb to new doctrines imported from Germany and Italy.



"I APPEAL TO COMMON SENSE!"

—By Lou.

France Is Still France

BY A. W. R. SINCLAIR

IT IS NO DISGRACE in this world not to be its strongest nation, and we should not let ourselves be influenced by the Hitler-Mussolini gospel of force to think that only success in arms is entitled to respect. We Canadians, half French ourselves, should realize that the French nation receiving an armistice in a railway carriage in the Forest of Compiègne in June, 1940, is still as immensely superior in all the things of the spirit as she was to the Germany which at the same place in November, 1918, came to her as a suppliant. In looking at France, broken now by the wheels of the juggernaut, we shall confess to the loss of something finer in ourselves if we do not still recognize in her the liberator whose conception of freedom in life, in politics, in art and in literature has done as much to free man's spirit as all the Great Charters and Bills of Rights that were ever written.

Peoples who love liberty should honor those whose example gave it to them; and the great writers of France, who inspired the movement for independence in the American colonies, inspired equally the public awakening in Great Britain which made the success of that great movement possible, and which led directly to the creation of the free institutions of Canada and the sister Dominions. The English-speaking world owes a debt to France, to be paid not only in every ship and plane we launch and every man we arm to bring her emancipation nearer, but to be paid also in the coin of sympathy and understanding of all that she has been to us and of the hard lot that is now hers.

France at Versailles

It is true that France since 1918 has shown to little advantage—a prey to all the "isms" internally, and inconsistent and ineffective in her external relations. But consider France at Versailles, after two wars with Germany, a country immeasurably the stronger. In one of those wars she had fought alone and had been beaten, and had received no mercy; in the other she had fought with numerous and powerful allies, and had gained the victory; in both, her country had been ravaged and her manpower decimated, and she knew that she could not survive another. In those circumstances, and finding it harder to believe than did peoples separated by oceans from Berlin that Germany could be brought to an attitude of international loving-kindness, France saw her

own continued existence dependent on the annihilation or the effective restraint of Germany. America and Great Britain would not permit the former, but they guaranteed the latter, or so France trusted. And in that trust, France consented to the Versailles Treaty, which, as such treaties go, was certainly not savage though it may have been ungenerous, and which at least, unlike all former treaties, contemplated the correction of its faults through the peaceful machinery of a League of Nations.

The Loss of Courage

But the foundation of the League was to have been the adherence to it, with Britain, of the United States, and when this failed, Versailles and the League, and the safety of France and of all weaker nations and of stronger nations as well, went with it. France, when she lost American support, lost, too, her head and her courage. Arming the Little Entente, she failed to arm herself; building the Maginot Line, she stopped half-way; having bullied and frustrated Germany when she was democratic and weak, she threw her the Rhineland, Austria and Czechoslovakia when she was totalitarian and strong; and all of this was reflected in a growing weakness, bewilderment and decay in the people of a once-proud nation.

We who are British are showing now the strength that is latent in our vast Empire, and in that strength lies the hope of emancipation of our sister nation. But we should not forget that that same strength could have been wielded in this generation to guide the course of a shaken France as well as to stay the calculated progress of her enemies. We too have yielded to weakness and to disillusionment, and it is with humility as well as with high resolve that we should gird ourselves to fight, for our very existence, as we must, but also for the restoration of the spirit of liberty and equality with which France has endowed the world.

And let us think of France's defeat only to learn from it that partisanship and patronage are poisons that can paralyze the sword-arm of democracy and cause even its strong heart to falter; that honor and sacrifice will not sustain the fight if dishonor and greed are in the counting-house and in the ante-rooms; and let us see to it that if Canada carries any such disease it will not wait until the post-mortem for its discovery.

The Front Page

(Continued from Page One)

with other nations organized into the kind of state which they want, unless they too are equally faithless to the ideals of 19th century liberty.

These lectures were delivered by two eminent Americans, Robert Warren, Professor of Economics in the Princeton Institute for Advanced Studies, and Leo Wolman, Professor of Economics in Columbia, and an eminent Englishman, Henry Clay, Economic Adviser to the Bank of England. Mr. Wolman dealt in the main with the somewhat specialized subject of employment and unemployment; but the other two lecturers ranged freely over the whole subject of the relation of the state to the individual and to the three other forms under which individuals are commonly grouped for important purposes—the family, the religious organization, and the economic structure. The 19th century state left these three aggregations to function for themselves with the minimum of interference; the totalitarian state practically takes over their functions and undertakes to perform them itself.

Both Mr. Warren and Mr. Clay examined carefully the new forces which have led to the demand that the state should thus take over these vast responsibilities. Mr. Warren in a most interesting and suggestive lecture dealt with the totally unexpected and largely disastrous results which have flowed from the substitution of the great corporation for the individual and the family group in the control of industry. The criticism of the great corporation, a criticism which is almost as characteristically American as the great corporation itself, has seldom been more ably presented in a few pages, and we could wish that every serious student of economics in Canada should peruse them.

Mr. Clay devoted himself to the discussion of the efficiency which may be expected from governments when they undertake to do the work hitherto done by the family, the church and the economic organization. The character of the organization of government, he points out, is dictated by its two primary functions, those of preserving order and defending the community. "Other social functions need a similar adaptation of organization to their needs, and it is a priori improbable that the organization of government will be well adapted to them also. Economy in the wide sense requires that social problems shall be dealt with in terms of their own factors; to use the machinery of government for all of them—the *étatiste* tendency of today—is to insure that they will be solved in terms that are largely irrelevant."

The whole discussion is of immense value for answering the claims of those who maintain that the state must take over the functions of the business organization, and must take over those of the family and religion if the family and religion are found, as they apparently always are, to conflict with the attempt of the state to run the business organization. We think we detect the hand of former Principal Douglas in the organization of this series of lectures, which took place under his regime and which do both him and the University great credit.

A Baskerville Quarto

WE SUPPOSE that Louis Blake Duff is the only person in Canada who makes beautiful books for no other reason than a sheer passionate love of making beautiful books. He also makes beautiful speeches, no doubt on account of a love of making beautiful speeches, but that is considerably less rare. The last time we heard of him he was making a beautiful speech to a banquet of printers from all over Canada in celebration of the 500th anniversary of the invention of printing from movable type. And now there has just reached us the sixth of the Baskerville Quartos, entitled "Jane Susan Duff, Her Book." And we are absolutely certain that Jane Susan Duff is the only little girl of five in all Canada to have a really beautiful book printed, and illustrated, and indexed, and argumented, and colophoned for her alone.

But then Jane Susan Duff is a very lucky little girl. She not only has Louis Blake Duff, who writes and makes beautiful books, for a grandfather; she also has Gerrond S. Duff, who draws beautiful pictures, for her father, and Gerrond S. Duff never draws better than when he is drawing Jane Susan. There are several pictures of Jane Susan, and several pictures of other people almost as important as Jane Susan, including one of King George VI mailing a letter to Jane Susan, and oddly enough he is mailing it in a Canadian letterbox, although from internal evidence the letter must have been mailed while he was still in England. There is probably a deep symbolism in this. His Majesty is all dolled up in the royal robes, crown and sceptre, and we suspect that the meaning is that his mind is so full of his forthcoming trip to Canada and the prospect of seeing Jane Susan that he imagines he is using a Canadian letterbox although he is really putting the letter in the customary round red English "pillar."

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THE HITLER WAR

Fight to a Decision in the Air

BY WILLSON WOODSIDE

IT IS PLAIN enough that the real struggle is engaged now for mastery of the air over Southern England. The Germans would never expend planes at the rate of 150-175 a day except for a definite purpose. It seems plain too that Hitler has his troops assembled in Northern

France and Belgium, to follow up mastery of the air with invasion of the Isles. The R.A.F. wouldn't be dumping so many bombs on the opposite shore of the Channel if they would do more good in the Ruhr.

There is, in fact, reason to believe that the decisive hour in the war may now be very near. An American who has been some years in business in England, and who was caught in Copenhagen in the Nazi invasion, had a most interesting letter in last week's *Life* on what German officers told him during 10 days of alternative elation and boredom just after the occupation, last April 9. They predicted the exact date of the attack on the Low Countries and the exact place where the French defences would be broken. They said that Hitler was confident he would be dictating peace to the French in the old railway car at Compiègne by July 1, and would be in London by September 1.

Dates for various happenings have often been put forward in this war, though never before in this column. But the point is that the Germans are known to work to definite dates, and this September 1 date is very plausible. It would mean getting the war over exactly in a year, which sounds very much like Hitler. It would fit in with the announcement of the Nazi Party "Congress of Victory" at Nuremberg for mid-September, the guarantee of steel deliveries in South America for October, and the reports of posters being prepared for a late tourist season in the Reich, featuring conducted visits to the Maginot Line. It would explain why Mussolini has concentrated his armies in Libya for an offensive under the murderous summer sun. The Duce has to suit his time to Hitler's. If one is to draw a lesson from his conduct during the German campaign in France, the task disdainfully assigned to his arms is the distraction of as much British force as possible from the defence of the homeland, and then pinning in himself at the last moment.

It wouldn't have to be exactly September 1. Any early Fall deadline would make use of the most favorable weather, always a strong point in German General Staff plans. It would avert another war winter, and an even more trying one than last winter, with British bombs instead of leaflets raining down every night and the population sitting in the dark, doubting. It would get the whole business in Europe over while the Americans are preoccupied with their election, and before a heavy flow of American planes sets in to Britain. Some such early deadline would explain the remarkable forbearance of the Nazis during July and early August, while the British were bombing them steadily. When Germans have a plan and a date they will suffer losses stoically and proceed with their methodical preparations. Finally, it, and it alone, would explain the swiftly-rising crescendo, and the direction, of the Nazi aerial offensive.

A Careful Timetable

For exactly a month, from June 18 to July 18, the Nazis contented themselves with night attacks, apparently never amounting to more than 100 planes and intended chiefly as a reply to the R.A.F. attacks on Germany. They were directed against aircraft factories, armament works and docks, but from all accounts were surprisingly ineffective; the Germans do not excel at night raiding. During this period their losses were held down to only 4 a night. They were saving up planes and gasoline, while preparing bigger things. On July 19, the day of Hitler's peace ultimatum, the intensity was approximately doubled and the direction switched to day attack on shipping in the Channel, with the apparent intention of winning air control here. Losses now ran from 10 to 30 a day. This phase lasted ten days and ended with a heavy assault on shipping right in the harbor of Dover.

There was then an almost complete lull for twelve days, during which German losses over Britain averaged only one a day, and during which Winston Churchill warned that the danger was by no means past. During the lull there was an isolated flare-up on August 8, which may have been intended by the Germans to pay the British back for that August 8, 1918, which Ludendorff called the "Black Day of the German Army". The celebration cost the Germans 60 planes. Then on August 11 the attack was resumed, again at approximately double the intensity, or 400-500 planes, and with the direction suddenly switched to Channel naval harbors and South of England aerodromes. Three days of this, then a one-day lull, with the attack resumed on the 15th at double the intensity again, or 1000 planes. The objectives still mainly aerodromes, but this time touching the outskirts of London at Croydon. The German officers in Copenhagen said they would only bomb the suburbs of London.

Potting the suburbs of London may be part of Hitler's plan, and he can apparently spot a few bombs there almost any time he wants to pay the price. But this component of calculated terror in his plan should not



GENERAL STAFF MEN GET TOGETHER. On left is Major-General H. D. G. Crerar, D.S.O., recently appointed Chief of the General Staff in Ottawa. On right is Lieut.-General Sir Alan F. Brooke, D.S.O., recently appointed Chief of the General Staff in Great Britain. Taken in France on April 30 last, the photograph is the property of Mr. D. A. White of Toronto.

distract attention from the main strategical objective of clearing the British air defences completely out of Southern England. First he seeks their elimination from Kent, Sussex and Surrey, and then, apparently, from the whole region below a line running from the Wash to Bristol Channel. This would, according to discussions in German professional military journals, leave the South of England a sort of No Man's Land over which German fighters coming from the French Channel coast could meet British fighters coming from the Midlands at equal advantage, and of course, in superior numbers. As the British air defences were gradually rolled back, complete domination would be secured over the Channel and its northern shore, which could then be made too hot for the British harbor and coastal defenders. Thus would the way be opened for invasion, which would presumably come from Cherbourg against the neighborhood of Bournemouth, from Boulogne against the Kentish coast, and from the Helder against East Anglia.

What progress is Hitler making? Is he blasting the British out of the aerodromes of Southern England? The Air Ministry has reported damage at many of these, severe at one, and considerable at Croydon. An American correspondent who was attracted to Croydon last Sunday by heavy black smoke clouds writes that though he found casualties still being carried away, the fires had been extinguished by the time he arrived and planes were using the field again. Naturally he couldn't say what damage had been done to the workshops, hangars and stores. But unless the buildings had been completely wrecked new workshop equipment and stores could be quickly moved in from depots further north, and out of the direct firing line.

In the meantime there are many other aerodromes roundabout which can be used. The R.A.F. has been expecting this kind of dislocation since its rough experience in France and Flanders, and is said to have dispersed its ground equipment and stores and prepared scores of emergency fields in Southern England. Can the Germans put all of these fields out of commission at the same time and keep them out of commission? Can they smash them badly enough to first weaken and finally cripple the fighter defences? The reaction so far has been satisfyingly virile: all 20 bombers which raided Croydon on the 16th brought down; all 11 bombers which raided a Hurricane station in the South-East the same day disposed of.

Hitler will watch as anxiously as we shall the percentage score of the British fighters for any signs of falling off. He will bear heavy losses if he can see signs of results. He can probably step up the intensity to about 3000 planes a day. But it seems to me that he has already gone over the top of the curve of diminishing returns. 400 planes definitely shot down between Thursday and Sunday last, perhaps 200 more which never reached home, others so seriously

damaged as to require new motors, instruments or extensive airframe repairs, all the rest used up a certain amount, at least 1000 experienced personnel lost—these are losses which any air force has to consider. Are they bringing results?

It seems to me that we have almost enough data on hand now to justify confidence that we are winning the air war, that with his present plane types Hitler cannot win air supremacy and invade England. Here is the first country he has tackled with a well-developed air defence. While he concentrated on building bombers, the British were building fighters. While he built a great fleet of transport planes, the British turned out air-raid shelters by the hundred thousand. While he made parachutes, they made barrage balloons. While he built tanks, they built anti-aircraft artillery. Thus they have arrived at the same point at about the same time: Hitler with a perfected air attack, Britain with a perfected air defence.

Quick Victory Precluded

Such a defence would seem to preclude a quick victory, and a long struggle must prove ruinous to the attacker. He has to send his fighters along with his bombers, while the British can divide their air power, using one branch strictly for defence, the other for offence. More than that, he has to use big, twin-engined machines—even his fighters being twin-engined, two-man craft for long-distance work—while the British fight him off with relatively small, single-engined planes. Thus the attacker's loss is considerably heavier than the ratio of planes downed by each side. With plane losses at four to one, the material strain on the Germans is more like eight to one. Counting the R.A.F. fliers lost over Germany, the ratio of personnel loss runs something like ten to one against the Germans. In mere numbers they may be able to afford this, but the handicap of losing up to one-fifth of their experienced personnel in every raid would seem to be very heavy.

The Germans, true to their military tradition, are trying to smash through with massed attack. But massed daylight air attacks seem to be as vulnerable to a strong defence as massed infantry attack proved to be to machine-gun fire. It provides too good a mark for A.A. fire, and too good hunting for the defending fighters. It is more likely to be caught in the balloon-barrage cables. All of these defences break it up, and combat then becomes man against man. In such combat the man trained in massed formation fighting must be at a disadvantage to the man trained to individual fighting, especially when the latter has a superior machine.

The attack will probably be jacked up another stiff notch very shortly. But unless it produces results not indicated by present experience, Hitler is going to have a very painful decision to make: to stop and admit failure, or to go on and squander his air force.



BRITAIN IN EGYPT. A well-camouflaged Bren Gun post. The troops belong to the King's Own Regiment.

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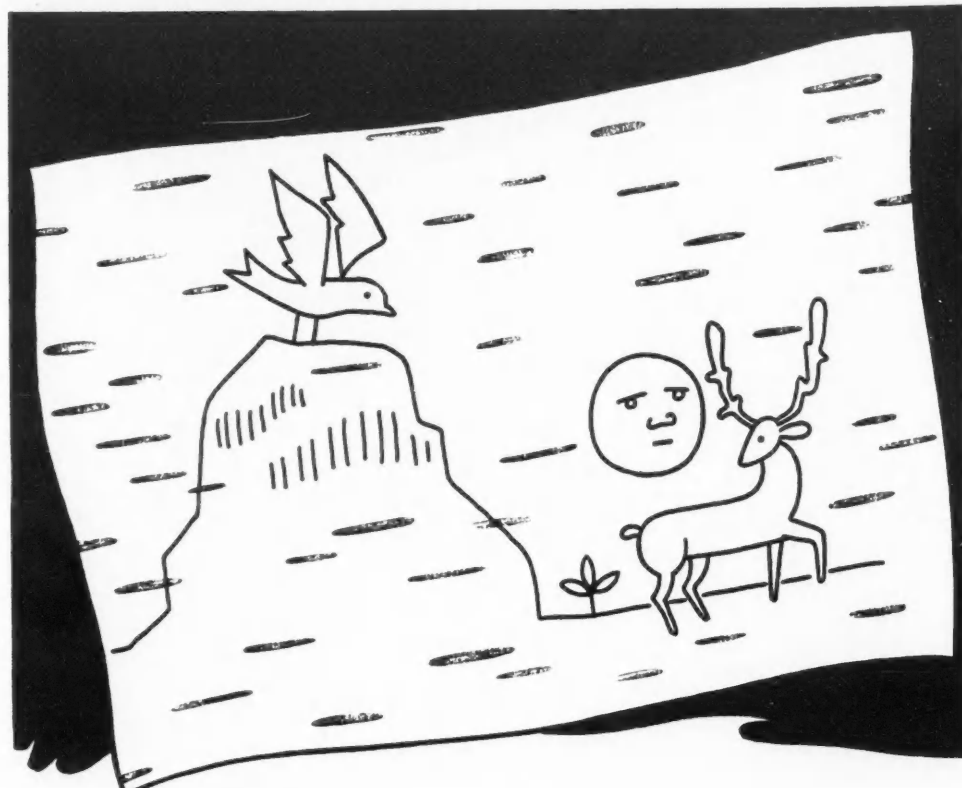
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Stalin Is a Hardboiled Realist

BY JOHN A. STEVENSON

SO successfully has Russia been fishing in troubled waters that within the first year of the war she has incorporated within her boundaries a huge additional stretch of territory and increased her population by over 20 million souls. After assisting to compass the downfall of Poland she divided up the territory of that unhappy nation with Germany and then proceeded by military aggression to wrest the Karelian isthmus from Finland; next she forced Rumania in July to surrender the rich province of Bessarabia and Bukovina, and in the same month she rounded off her acquisitions by inducing the three little Baltic states of Lithuania, Latvia and Estonia, over which she had previously acquired military and consequently political and diplomatic control, to vote for complete incorporation in the Union of Socialist Soviet Republics. Altogether it is an astonishing record of successful power politics, accomplished at a comparatively small cost in lives and money.

On the surface it appears to be a shameless reversal of the internationalist and pacifist ideology which seemed to dominate Russian policy for fifteen years after the last war, and which gave the impression that she was "a satisfied power". In this view it makes a mockery of the vitriolic denunciations of capitalist Imperialism and their wicked ways of expansion and domination of weaker peoples, which flowed so freely from Bolshevik lips at Geneva and elsewhere. But it should not be forgotten that as early as 1921 the arch-enemy of capitalism, Lenin, when he compelled independent Georgia to enter the Soviet fold, described himself as "a Great Russian Chauvinist," and since Stalin obtained control of Russia's foreign policy increasingly free play has been given to the revival of Russian Imperialist ambitions, on the excuse that the rescue of mankind from the baneful clutches of capitalism will be promoted by the inclusion of as large a number of people as possible under the Soviet regime.

But Stalin and his associates are also hardboiled realists, and the element of national ambition and aggrandisement in their policy finds reinforcement in a genuine anxiety for the future security of their country in a world which, in the words of President Roosevelt, is now "dominated by the one fact of armed aggression". The ideal outcome of the war from their point of view

tions, and were convinced that they were consulting the best interests of their peoples. For one thing the mass of the peasants and urban workers, at least in Latvia and Estonia, had unpleasant memories of the oppressions of the German Baltic Barons, who had dominated their countries for centuries under the old Czarist regime, and they were not enamored of the idea of becoming satellites of Nazi Germany in the new Europe which Hitler avowedly aims to create. Moreover last August Hitler had ordered the wholesale migration to the Reich of the very substantial German elements in the three little Baltic states, with the result that German influence had ceased to be effective in the domestic political alignment. Furthermore the war had deprived them of the most reliable outlet for their products, the British market, and their economic outlook had become very clouded.

Naturally the people of the older generation, who had participated in the struggles for national emancipation, did not relish the proposed sacrifice of their political independence, but the younger generation had become painfully conscious of the restricted outlook and opportunities of life in a midge state in the modern world; they also had available the argument that the cost of maintaining separate armies, navies, parliaments and diplomatic services, by countries whose total population was smaller than many large cities, entailed too heavy a burden.

So while there is undoubtedly a dissentient minority, consisting of the business elements, the decision made represents the will of a large majority of the inhabitants of the three countries.

In Latvia no time has been lost in taking steps to harmonise the local economic system with the general Soviet regime, for the Latvian Parliament has already passed legislation which brings under state ownership the banks, all large business, and the land, with a saving proviso in the latter case that all holdings not exceeding 75 acres in area shall be exempt from nationalisation. Now since the postwar land reforms in breaking up the big estates distributed them into farms which are mostly smaller than 75 acres, only a small proportion of the "landowners" will be affected by the decree, and in agriculture at least for the time being considerable scope will be left for private enterprise.

Germany and her ally Italy have accepted the change, but it is unlikely that the United States will follow their example. So far the British Government has not defined its attitude about Russia's latest acquisition, but the problem thus created adds a fresh complication for its efforts to establish better relations with Soviet Russia.

The Cripps Mission

A fresh start towards this objective was made possible by the change of government in Britain last May, and when the Churchill Cabinet appointed Sir Stafford Cripps as special British Ambassador to Russia they selected an envoy who seemed to have unique qualifications for repairing some of the damage produced by the egregious blunders of the professional diplomats previously entrusted with British interests in Russia. Not only had Sir Stafford been for years a convinced and active Socialist, but he had in Parliament and on public platforms been a valiant defender of the Soviets, and had quarreled with the ruling clique of the British Labor party, some of whom, like Sir Walter Citrine, had been outspoken critics of Moscow's policies, because he felt that they were not promoting the cause of Socialism with sufficient ardor; he had indeed been formally expelled from the Labor party for his persistent advocacy of an alliance with the Communists and Liberals in a People's Front. Moreover he was on terms of personal friendship with some of the leading figures in the Russian Government, and he had recently renewed his contacts with them when he interrupted a visit to the Nationalist Government of China to fly across China and pay a visit to Moscow.

So, if anybody had a chance of improving Anglo-Russian relations, Sir Stafford Cripps looked to be the man. But he has now been in Moscow more than a month and, if press reports are to be believed, there is no indication that he has made any headway towards his goal. At any rate the references to Britain in Premier Molotov's latest speech were not very encouraging; the only friendly note was an observation that the appointment of Sir Stafford Cripps was at least some evidence of a desire to cultivate the goodwill of Russia.

Sir Stafford must have been greatly embarrassed in his negotiations by the British Government's seizure of an unknown quantity of gold and some twenty ships now in British ports which were formerly owned by the three Baltic countries. It is understood that Sir Stafford has been urging the British Government to recognise Russian sovereignty over the three obliterated states, and withdraw their diplomatic and consular representatives, and as there is little alternative to acceptance of the new situation, his advice seems sound. There are influential elements in London who cherish the notion of using the Baltic property held in Britain as a bargaining counter for better trade

terms or some adjustments of the debts owed by Russian to British interests; but the adoption of such an attitude would simply infuriate the Russians.

British Opinion Divided

It is also stated that Sir Stafford has been pressing the British Government in blunt terms to make up its mind about its attitude towards Russia and define it publicly. Unless this is done, he will probably decide that any prolongation of his mission is unprofitable, and resign. But any discussion of the problem in the Churchill Cabinet could scarcely fail to produce sharp divergence of opinion, as the issue contains the seeds of sharp controversy among the British public. On the one side Leftist elements are disposed to argue that hopes of ultimate co-operation from Russia for the frustration of the ambitions of Nazi Germany must not be abandoned, that no stone must be left unturned to cultivate cordial relations with her, and that no move in regard to the Sino-Japanese conflict or our dealings with Balkan states should be undertaken without previous consultation with Moscow. But to powerful Rightist elements, very influential in the City of London, Russia is still like a red rag to a bull, and their ingrained detestation of her and all her ways leads them to continue suggesting that Russia, not Germany, is the real enemy, to condone the actions of Laval, Petain and Co., and even in some cases to advocate secretly an early peace with Germany in the hopes that the latter might revert to the original plans for *Lebensraum* outlined in "Mein Kampf" and divert her warlike energies to the conquest of the Ukraine.

M. Molotov in his speech declared that the rapprochement between Russia and Germany had been in no way impaired, and the Nazis have had no

alternative but to endorse Russia's annexations, but it would be strange if her activities are not arousing considerable anxiety in Berlin. Pan-Slavism is by no means an extinct force, and any serious attempt by either Germany or Italy to impose their will upon Balkan countries like Yugoslavia and Bulgaria, inhabited by Slavic peoples, would be resented in Russia and might well bring her into action to protect them. With her troops massed upon the north bank of the Danube she is now well placed strategically for a raid upon the Rumanian oil-fields, whose output is so essential to the German war machine, and by seizing the mouths of the Danube she could easily cut Germany off from all supplies now reaching her through the Black Sea. Accordingly the Axis powers in the formulation of their Balkan policies will not dare to disregard Russia's views and aims.

About our own relations with Russia there exists a real dilemma. Her assistance in the military sphere might serve to turn the scales of victory in our favor and save thousands of British lives; but Stalin and his associates are only outmatched by Hitler and his crew in their record of violence, cynicism and aggression, and their help might be dearly bought if it involved a complete condonation of their aggressions and a betrayal of the principles for whose maintenance we are avowedly fighting. Moreover it should be remembered that public opinion in the United States, a country which would be a much more formidable ally than Russia, sees nothing to choose between Germany and Russia, and an open military alliance with Russia might mean bidding farewell to all hopes of any further assistance from the United States. So for the British Commonwealth there is clearly only one basis for its policy in regard to Russia, a strict realism in which military expediency and a loyal adherence to the principles and ideals of our cause both receive full consideration.

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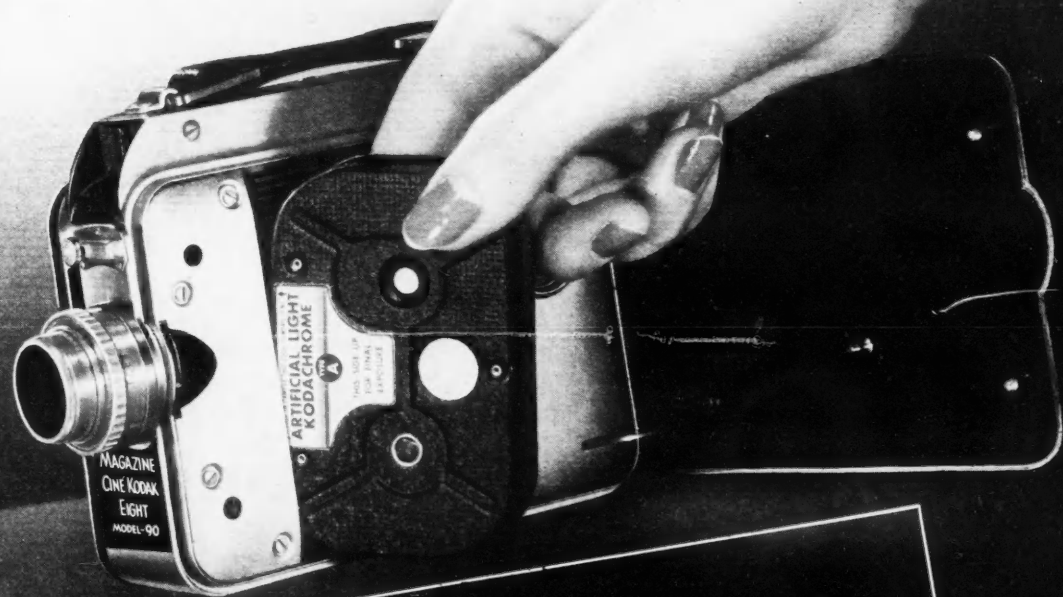
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THE LONDON LETTER

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SATURDAY NIGHT, The Canadian Weekly

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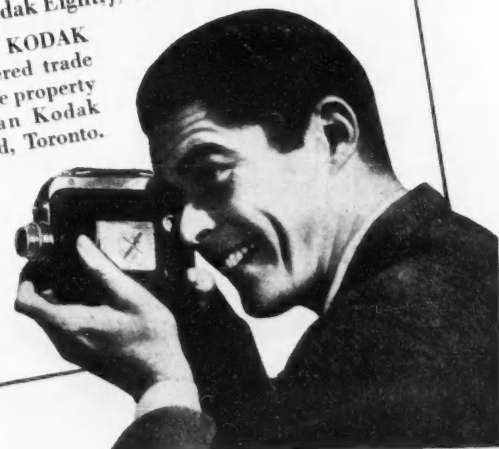
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NOCTURNE

When lovers lie
In summer grass
And watch the cloud ships
As they pass,
Love is a blend
Of pain and bliss:
Somewhere a shadow
Dark and tall
Across the heart beat
Seems to fall
Denying joy. . .

"This thing will go,
It will not stay
When summer goes,
And you're away!" . . .
So runs the thread of darkling
song
And yet . . . within each other's
eyes
They drown this knowledge, and
disguise
The shadowy blight.
So . . . each to each, they turn and
say
"We have each other, anyway!"

—MONA GOULD.

Owen Sound.

would be a stalemate, which would leave the whole of western and central Europe in a state of exhaustion and disorder and therefore ripe for Communist revolutions. But they have also to take cognizance of the possibility of a decisive victory for one side or the other, and the plain objective of recent Russian policy has been to prepare for such a contingency and secure an eastern frontier which offers good prospects of successful defence.

So far the Russian Government has been able to claim that with the exception of Eastern Galicia and Bukovina all the territories annexed by it were part of the old Czarist Empire, and that it has only taken back what was filched by others in Russia's days of travail. But the exceptions in themselves range Russia along with Germany as a predatory power, and there are indications that the final limits of the policy of "defensive expansion" have not been reached. Pressure is being brought to bear upon Finland to establish a more "popular" regime, Rumania is being warned that she must satisfy the aspirations of Bulgaria, a country in whose fortunes Russia has always taken a special interest, and there are continual suggestions in the official press of Moscow that Russia will never be really secure until she acquires at least some measure of control over the Dardanelles.

A Majority Decision

When the national assemblies of Lithuania, Latvia and Estonia, meeting at special sessions during the week-end July 19-21, voted by overwhelming majorities for the inclusion of their respective countries in the Soviet Union, they were undoubtedly acting under strong pressure from Moscow, but the supporters of fusion were influenced by other weighty considera-

THE LONDON LETTER

Duff Cooper, a Good Man in the Wrong Place

July 29th, 1940

BY P.O'D.

LAST week in the House of Commons Mr. Churchill administered a lethal dose of hemlock to the "Silent Column" plan, which the Minister of Information had been trying to foist on the country. The idea may have sounded good to Mr. Duff Cooper—all the strong, silent people in the country banding themselves together, resolved not to talk and not to let anyone else talk, even if they had to get tough about it. But it didn't sound very good to most other people, who probably remembered how much better they do that sort of thing in Germany.

Anyway, the idea is now dead. Mr. Churchill put it painlessly to sleep in a little speech that was a model of its kind, genial, witty, but unmistakably clear. When he said that the plan had "subsided into innocuous desuetude," he made the House laugh. But he left no one in any doubt as to his determination that there should be no nonsense of that sort in this country.

Now Mr. Duff Cooper has a new idea, but it cannot be said that he is having better luck with it than with most of his other ideas—rather worse, in fact. He is planning a "War-Time

Social Survey." Polite persons, armed with note-books and police permits, are to go about from door to door and ask all sorts of personal questions, ranging from the amount of soap in the house to the occupant's views on the national war-effort.

There are countries in which this sort of thing is popular—the United States, for instance. In that happy land of the free the taking of these "public-opinion polls" has become a national industry. Americans apparently like being asked such questions. But it is already quite clear that English people don't and won't. There is a general outcry against what is regarded as a system of organized Paul Pry-ing. It seems probable that the polite persons with the note-books will be given a far from polite reception.

No doubt, this idea also will be allowed to "subside into innocuous desuetude." It won't do any harm to the public, because the public won't let it. But this habit of starting futile and irritating schemes is undoubtedly doing a lot of harm to the Ministry of Information. Even its own Mr.

Harold Nicholson had to admit recently that the Department has become a kind of cross between a maid-of-all-work and an Aunt Sally. And that is not a very good character for any Government Department to acquire at a time like this—certainly not a Department so important as the M.O.I.

In the meantime, the general demand for a new Minister of Information is becoming more and more insistent. In a way, it is too bad, because Duff Cooper is an able and energetic little man. He has courage and enterprise, and he has worked hard. But he seems to have no understanding of the public mind and temper; and he is holding a job in which that particular kind of understanding, that insight into the way the average man thinks and feels, is essential. It is not his fault but his misfortune. He is a good man in the wrong place.

Tea As Usual

One English custom that is apt to make foreigners smile a little is the afternoon-tea habit. Not the social aspect of it, for people drink tea in the afternoon in a good many other

countries. It is the universality of the thing in England that is so striking—and at first sight so amusing. For a few minutes every afternoon the whole business of the country stops, while everyone, from the work-shop mechanic to the president of a national bank, munches a couple of biscuits and gulps down a mug or two of the hot infusion of herbs.

I remember the first time a young woman set down a little tray of tea on my desk—which was the very first time I ever sat at the desk. I tried to explain to her that I didn't drink tea, that the thirst I was gradually accumulating was being reserved for better things. The only effect was to cause her to go away and get the manageress of the tea-brewery, who demanded to be told what was the matter with the tea.

"Nothing whatever," I assured her. "So far as I know, it is wonderful tea—only I don't drink tea."

"Then what's the matter with you?" said the manageress. I had to admit that there were several things the matter with me, but I insisted that I still had no intention of drinking tea—not unless the doctor ordered it.

But did that stop the tea? Not a bit of it! The obvious intention of Divine Providence was that human beings should drink tea in the afternoon. Otherwise Divine Providence wouldn't have invented tea—and also manageresses to see that it was served up hot and punctual. So every day the little tray continued to arrive, until—well, you know how feeble is

the human will. I began to drink the stuff. And now, if I don't get my cup of tea at the sacred hour, I scream and bang my heels on the floor, and throw my toys about, and go all naughty.

So, when the new regulations came in the other day about the rationing of tea—just two ounces a week, my dear—I wondered how the business of the country could ever be carried on. But I needn't have worried. I might have known that nothing would be allowed to interfere with that afternoon cup. And nothing has been allowed. The Ministry of Food has just announced the issue of special permits for tea during working hours—without drawing on the domestic ration. So everything is all right. We can now get on with the war.

Open Air Theatre

There is one real hero among London's theatrical producers, and that is Mr. Robert Atkins, who has just started off the Open Air Theatre in Regent's Park with a production of "A Midsummer Night's Dream." He took over when Sydney Carroll gave the Theatre up, and he is resolved to carry on the good work, defying Hitler, the weather, the bombs, the black-outs, and all the rest of it. He deserves to succeed.

Naturally late night performances are out of the question. The Open Air Theatre thus loses its greatest attraction—the lighted stage among the trees, with the stars shining overhead. On a pleasant summer evening the lights and the music and the beauty of the natural setting gave to its performances a charm that no other theatre in London possessed. It was a stage in fairyland. But the black-outs have made all that impossible.

Still the beauty of the setting remains, and the music, and the general excellence of the productions. Even though the evening performance now begins at the very awkward hour of 6.15, it is still something well worth seeing. And perhaps, in compensation, the Open Air Theatre will gain a little from the fact that a good many people are nervous about going to the theatre at night, and having to find their way home in the darkness. They may like the idea of these early performances. Besides, if our little Nordic brothers should take to dropping a few bombs about, there is some consolation in the knowledge that, at any rate, the roof and walls of the theatre won't come tumbling in on top of you. There is a whole park to hide in.

Jazz to the Rescue

Another brave man is Mr. Jack Hylton, the dance-band leader, who has taken the London Philharmonic Orchestra under his wing, as part of his entertainment organization. Jack may not play that sort of music himself, but he knows a good band when he hears it. He made up his mind that the London Philharmonic was not to be allowed to break up for lack of funds. So he took it over—Conductor Malcolm Sargent and all—and has arranged a series of concerts for it in provincial theatres.

Jack Hylton is a Lancashire lad with a remarkable talent for the sort of music that people like to dance to. He has made a big success of it—if not quite artistic, at least financial. For Jack is not only a distinguished jazz-maestro, he is also an extremely shrewd business man, as is often the way with these lads from Lancashire. His taking over of the Philharmonic may look like a recklessly altruistic gesture—certainly in times like these

CARNIVAL

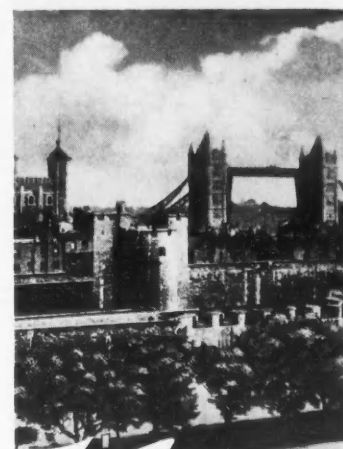
LITTLE torches through the glade,
Fired by the frost;
Blueberry blood-red of leaf,
Lingon berries glossed
With scarlet lacquer;
Poplars turned
To twinkling gold paillettes,
And maples burned
To revellers' bold brands;
The grass and sedge
Tricked out in feathered crest and plume;
Hillock and ledge
Bunched thick with immortelles—
It's one last fling,
One last frivolity
'Till a day in Spring!

—LENORE A. PRATT,
Grand Falls, Nfld.

—but he is not the sort of man to back losers. It may even be that, for the first time in its history, the Philharmonic will be made to pay.

In any case, Jack has 't brass, and he is willing to risk it—"gradely la-a-ad!" as they say down Lancashire way. The high-brows may wince a little at salvation coming from such a source. They may also have some not unjustified fears about Jack's insistence on the band playing more of the sort of music that most people like, and not so much of the kind that they ought to like but don't. He is apt to consider full houses quite as important as exalted ideals.

The fact remains, however, that, thanks to him, the band will be kept together for a considerable time to come. While the high-brows stood on the shore wringing their hands and uttering shrill cries of despair, the band was going down for the third time—and would have, if the doughty Jack had not dashed in and pulled it out of the cold, hungry waves. It survives, and that is all to the good. It is also to the good that the Provincials will now hear a lot of beautiful music beautifully played—even if a little more popular in character than high-brows quite approve. Fortunately, there are many mansions in the house of music.



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SATURDAY NIGHT, TORONTO, CANADA, AUGUST 24, 1940

P. M. Richards,
Financial Editor

Important Changes in the Bond Market in Canada

BY PAUL CARLISS

JUST 25 years ago this coming November the first Dominion of Canada War Loan was offered for public subscription. The amount asked for was \$50,000,000; the loan was heavily over-subscribed and instead of the amount originally expected, \$100,000,000 was allotted. To thousands upon thousands of Canadian investors the War and Victory Loans of those days were their first experience with bonds of any kind. It is no exaggeration therefore to say that the World War financing marked the real beginning of a bond market in Canada.

Again today, under the cloud of another great struggle for freedom, attention is drawn to bonds as never before. This is to some extent due, as in 1915, to the financial needs of the government and the appeal for subscriptions to the War Loans which are expected to follow one after the other until victory has been achieved. It is also the result of a natural desire on the investor's part to seek safety—first investments in preference to those of a more hazardous nature.

A further advantage is offered by bonds today in the face of steeply rising corporation income taxes. The fact that bond interest charges are deducted before taxes and not after taxes—as are preferred and common stock dividends—is assuming more and more significance as taxes are increased and less profits are therefore left for the shareholder. There is a growing feeling that by the time many industrial companies pay all their operating expenses, including executive salaries and directors' fees, pay out interest on bank loans and bonds, set aside a reserve for depreciation on plants and equipment and then hand over from 30 per cent to possibly 75 per cent of what is left to the government, there will be little or nothing left for the owners of the business, viz., the shareholders.

New Interest in Bonds

As a consequence of these various factors a new interest is being shown in bonds—both government and corporation. This is true in spite of the fact that the experience of many investors following the orgy of financing that characterized the boom days of 1920-1929 was anything but a happy one. Bond defaults were so numerous in the 'thirties' that many bondholders became disgusted with their scraps of paper. A widespread belief arose that in the last analysis bonds were no better than common stocks and did not offer the same chance to make a profit.

It is probably unnecessary to observe that this attitude was not very well-founded but could be readily explained in view of the careless manner in which investors purchased everything that came along. Actually, if the issues representing new ventures (such as apartment buildings, newspaper mills, etc.) and promotional schemes (such as mergers) are eliminated, the percentage of defaults to all the issues placed on the market would be quite small. Very little discrimination was shown however between the seasoned issues of successfully-established utilities or industrial concerns and the unseasoned type of issue which was so commonly offered as a desirable substitute. Much of the distress of recent years was due to the combination of poor advice given by the dealer and lack of experience of the investor. For example, little or no differentiation between first mortgage bonds, soundly secured, and mere debentures—often not secured by anything—was shown.

It was probably inevitable that a young country, lacking a financial background, should pass through a period such as the financial boom and panic of 1928-1933. Today we are much wiser—or should be. A new and healthier approach to investments—both bonds and stocks—may therefore be expected.

Effects of Depression

The depression of the 1930's, aside from precipitating the collapse of all weak promotions and unsound financial structures, drastically altered the course of interest rates. When England was forced off the gold standard in September, 1931, the sharpest decline in bond prices ever recorded in this country was the direct result. As shown by the accompanying chart interest yields on government bonds rose from approximately 4 per cent to nearly 6 per cent—the highest return on such issues since the previous depression of 1921.

From the commencement of 1932 however prices began to rise and continued to do so until the latter months of 1936. Since that time the price range has remained relatively steady—varying only between a yield of 3 and 3½ per cent. This brings us to another important development affecting the course of the bond market, viz. the establishment of the Bank of Canada in 1934. Among other functions the Bank of Canada was expected

A wave of renewed interest seems to be directed toward bonds as an investment medium. This is partially the result of the fear that taxes will bear heavily on both preferred and common stocks and partially because, in disturbed times, the investor naturally turns to the safest type of security.

When the World War of 1914-1918 ended everyone expected a long period of 'normal times'; and until 1929 this promise appeared to be in the process of fulfilment. Since that fateful year however we have experienced a series of shocks that have wrought important changes in our investment markets, as elsewhere.

In the accompanying article, Mr. Carliiss discusses the effect of these shocks on the Canadian bond market and the possible further repercussions which may arise from the present war.

to exercise a degree of control over the investment market through the so-called "open market" operations, i.e. the buying and selling of bonds in the open market. The success with which this purpose has been attended is indicated by the relative stability of Canadian bond prices as compared with the action of United Kingdom issues, particularly during the past two years.

Return is Low

It is generally recognized that the return on best-grade Canadian bonds is abnormally low—perhaps artificially so—but the easy-money policy being followed in most countries today is greatly aided, in Canada, by the pressure of funds constantly seeking investment in trustee or other prime investment issues.

The enormous increase in the holdings of government bonds by the chartered banks has, in itself, exerted a buoyant influence on the market. Unable to employ their resources adequately through commercial and other loans the Canadian chartered banks, since 1930, have increased their investment in Dominion and Provincial bonds alone from \$300,000,000 to over \$1,300,000,000 at the end of June, 1940.

Nevertheless, when war broke out last September, and again when it reached its full fury in May of this year, we undoubtedly would have experienced a much more severe decline in bond prices if the Bank of Canada had not supported the market.

One direct consequence of this support is the fact that the Bank of Canada restricts its purchases very largely to Dominion of Canada bonds and this tends to create a higher level for such issues than would otherwise be the case. Thus a growing disparity

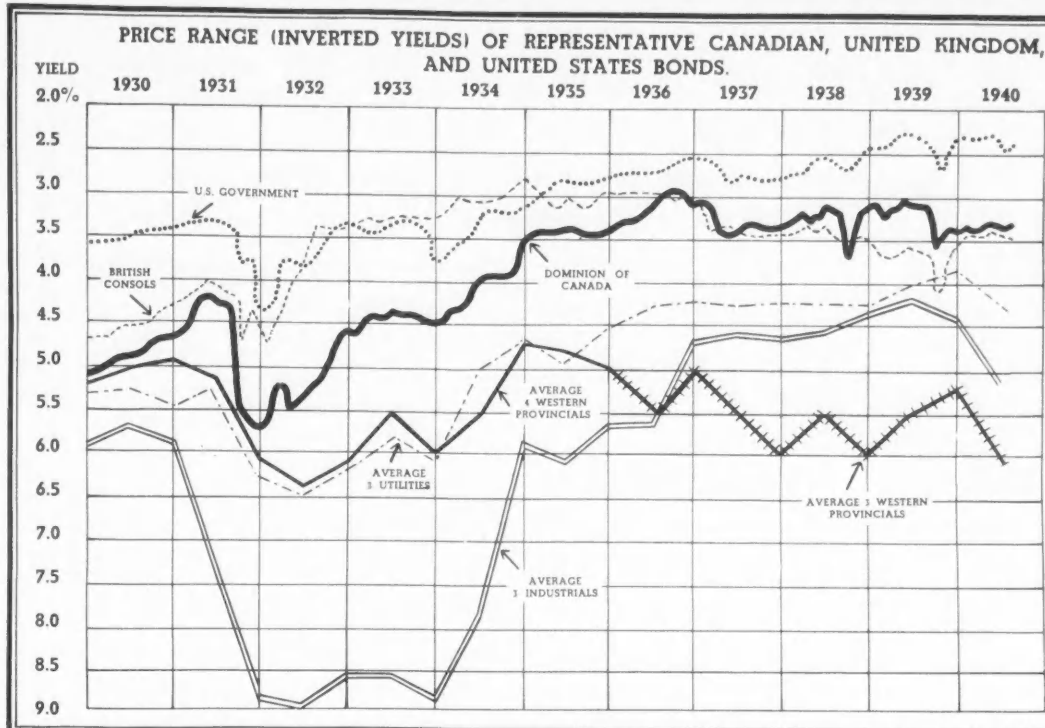
between Dominion and Provincial issues is noticeable. The former are also more readily marketable under existing conditions which also influences prospective purchasers in their favor.

Another feature of the past decade in the bond market has been the deterioration in the credit of the western provinces—particularly Alberta—as the chart of western provincial bond yields shows. The gap between these and the return on Dominion government bonds has steadily widened. This condition is primarily the result of several years of abnormally low farm incomes and the inability of western politicians to resist the temptations offered by easily-arranged loans. A mounting debt was the inevitable result, and unduly heavy debt charges placed a severe strain on the annual budgets.

Western Credit

The budget figures for the latest fiscal period of each of the western provinces show that debt service charges in the case of British Columbia were 28 per cent of total revenues; in the case of Saskatchewan 35 per cent, and in the case of Manitoba 36 per cent. Before Alberta defaulted on its obligations and resorted to partial interest payments, the percentage of debt charges to revenues was 40.8 per cent. These high ratios provide their own warning. Insolvency is just around the corner when the ratio exceeds 35 per cent.

The western provinces are not alone in their financial plight however. The Province of New Brunswick has experienced some difficulty in borrowing in the past year or two—an indication of deteriorating credit. Last



Note: Yields of provincial, utility and industrial bonds as at January and July 1. The yield on Dominion of Canada and United States bonds is based on that provided by medium-term issues.

year debt charges on New Brunswick obligations took 45 per cent of all revenues—the highest ratio for any province. It is little wonder that New Brunswick 5% bonds have declined from 114 just a year ago to 100 at the time of writing.

The Province of Quebec has not been without its financial problems, of which the City of Montreal is the most conspicuous as well as the most involved. A few years ago Province of Quebec bonds ranked as high as those of the Dominion itself. The Province's credit position was unsalable. This condition however no longer prevails although the present administration deserves a great deal of credit for a straightforward approach to the solution of its difficulties.

Municipal Improvement

The situation in the municipal section of the bond market is deserving of special mention as it is in this

category that the greatest progress is being made toward sound financial administration. Whereas the aggregate debt of the provincial governments increased from slightly over \$1,000,000,000 in 1930 to over \$1,900,000,000 at the end of 1939, the total debt of all Canadian municipalities during the same period only showed an increase of \$30,000,000—from \$1,270,000,000 to \$1,300,000,000. Whether from choice or necessity local governments have been far less profligate—in the aggregate—than the other classes of government.

It is true that numerous cities, towns, villages and other municipalities (such as Montreal and Windsor) have failed to observe sound financial policies; and for a time the percentage of defaults—particularly in Ontario—was alarming. Strict economy and control over new borrowing has however corrected this situation so that several of the defaulting municipalities have reorganized their debts on a sound basis with little or no loss to bondholders. Most municipal bonds are of the instalment or serial form, or if not, each issue carries a heavy sinking fund so that a portion of the debt is automatically paid off each year. This practice has assisted greatly in maintaining municipal credit on a solid basis and should be adopted by both the provincial and federal governments which seldom make any serious attempt to reduce their debts.

In spite of the heavy burden of relief charges in recent years and the difficulties of obtaining adequate revenues from direct property taxation (the source of about 80 per cent of all municipal income) the debentures issued by capably managed local governments are eagerly sought by institutional and other investors who rate them second only to the obligations of the Dominion of Canada.

Corporation Issues

Turning now to a brief mention of the market for corporation issues we find that since 1930 the range in yields of three active first-grade utility bonds has been a low of about 3.8 per cent early in 1940 and a high of nearly 6.5 per cent during the depths of the depression in 1932. The range of three active first-grade industrial bonds was however much wider—reaching a high of slightly over 9.0 per cent in 1932 and a low of about 4.25 per cent in 1939. While the utility issues, for several years, sold at a considerable discount and provided a much better yield than government issues the difference in yield is now less than 1%, and a few of the very best issues sell at practically the same price.

The depression naturally exerted more severe pressure on general industry than on public utility enterprises with the logical result that industrial bonds suffered a more drastic decline during the early years of the past decade. We see from the chart however that a good recovery has been made—or at least was made previous to the outbreak of war.

War Influences

The most important development of the past ten years has of course been the commencement of the war. All other influences fade into relative insignificance in comparison; and yet the effect on the market for bonds so far has been much less serious than that exerted by the depression period of 1931-1934. Whatever may be the ultimate fate of fixed interest-bearing securities their position at this time appears to be an extremely solid one.

The stability of Dominion of Canada issues, which we have already discussed, has contributed to the strength in all other types of bonds.

Behind the calmness of the investment market nevertheless lurks the threat of dangers "unseen but none the less real." There is the danger of inflation and the threat of colossal government war expenditures and colossal debts. There may be other forces at work to destroy the present equanimity of the investor.

In the Past

In the past wars have always meant sharply higher commodity prices, higher living costs and therefore lower real incomes for those who held fixed-income bearing securities. This was a form of inflation; serious enough while it lasted—and more than serious for the defeated nations which often, as in the case of Germany in the last war, experienced uncontrolled inflation and the virtual wiping out of paper debts. Before this war started many economists were talking of the inevitable inflation following upon the enormous deficits which characterized the budget of nearly every great power. And no one can deny that a lot of inflationary dynamite is lying about. Yet when the war actually broke out prices did not show the rise that was expected. Inflation refused to "take." The reason: strict government control over prices, labor and costs of all kinds. In Germany, in France, in England, in the United States and in Canada every effort was exerted to prevent a price advance. All knew that if an inflationary rise were to start nothing could stop it until it reached proportions beyond anything yet dreamed of in these countries.

Another change in the normal reaction of events upon bonds may be observed. Ordinarily a boom in business, such as we are now enjoying (?), would cause interest rates to rise. Banks would be called upon for increasingly large commercial loans and the demand for capital for new plants and additional equipment would be felt. High interest rates in the past (before 1930) always marked a period of good times, just as a period of easy money denoted a depression in industry. Now interest rates do not change in sympathy with the business cycle.

Gold Standard

One reason for this independence in money rates is the changed gold standard. Gold reserves of central banks do not govern domestic fiscal policy as they more or less automatically governed them before the gold standard began to flounder in 1931. Another reason is the plethora of money—the huge accumulations of idle capital during a long period of below-normal business activity. The banks are bulging with deposits—in fact find it difficult to employ their funds profitably. Thus while current loans in Canada have increased from \$821,610,000 in June, 1939, to \$935,550,000 in June, 1940, not the slightest suspicion of higher money rates has been observed.

Today, in many respects—politically, militarily and financially—the theories of the past are being exploded. There is little or no use in scanning history for a guidance in the topsy-turvy world of today. Nor is it any simpler to peer into the future. The wise investor today is he who wakes up each morning with an open and alert mind. May he at least have enough knowledge to read the signs of the times and act accordingly!

THE BUSINESS FRONT

London Gives Signal

BY P. M. RICHARDS

LAST week the London Stock Exchange hoisted a signal—one which, events may show, deserves to rank with Nelson's famous signal at Trafalgar. Stock prices, on successive days, went to new highs for the period since the fall of France.

The big blitzkrieg was on at last, and sober, hard-headed men of British finance and business, after sizing up the situation, proceeded to give practical evidence of their conviction that Germany must fail.

No propaganda this; it was belief, not mere hope. British business men went into the market and bought stocks knowing that only British victory would make them good. And the British are experienced investors; they're regarded as about the world's canniest and shrewdest.

It may be that this action of the London stock market means more than all the newspaper and radio reports. The London market—it is safe to assume—has information that has not had to pass the censor; it knows what has happened and what is happening.

On this side of the ocean the stock markets, up to this writing, continue to languish, despite the fact that Canadian industry is operating at a record high level—even exceeding 1929—and American industry is heading into the first real boom it has enjoyed since that year. The market is not registering pessimism regarding the war so much as the advisability of caution in investment. Investors and business men in both countries know that present business activity is due largely to the war, and they want to know what would happen if the war stopped suddenly.

If the War Ceased

The general assumption is that if the war came to a sudden stop, as the result of a British collapse or an arranged peace, there would be an immediate cancellation of war orders and a tremendous slump in industry. The markets are not forecasting that it will happen—only that it could happen.

There is reason for believing that this attitude is a short-sighted one. Certainly, if Great Britain were conquered by Germany as France was conquered—that is, if she were left completely under German domination, this continent would produce no more war supplies for Britain. However, on any other peace basis, that would not hold. If Britain, hard pressed, accepted terms which left her still a free

agent, she would obviously build up her armament as rapidly as possible.

And—here is the main reason why arms production will not stop on this continent—whatever happens to Britain, Canada and the United States have got to arm themselves. That is certain. It is obvious that offensive power in war reaches so much farther today than it did at the time of the last war, and can strike so much harder and more suddenly, that no nation can again afford to be unprepared. Winning this war will not end the possibility of war; another Hitler may arise after this one is overthrown. In this era of undeclared as well as lightning war, full and constant preparedness is essential.

Thus the prospect is that for several years to come at least, a considerable part of Canadian and American productive capacity is going to be devoted to armament production. Canada and the United States will have to produce planes, guns, tanks and ammunition for the defence of this continent, if not for the support of Britain, and the resumption of peace in Europe would not obviate the necessity.

Waiting for Civilization

This state of things will continue until civilization has advanced another stage or two and national banditry is no longer possible. Until then, the cost of being prepared to resist aggression must be the diversion to such preparedness of part of the means for advancing the national standard of living. That, apparently, is the fact, and we might as well recognize it. In order to be safe from assaults such as Britain is enduring at the present time, we must do with less butter in order to have more guns.

Thus there is no prospect of an early cessation of the era of "profitless prosperity" in which business on this continent now finds itself. For a long time to come—long after Hitler has been convinced of the error of his ways, we are going to have a planned national economy with a considerable degree of state control of industry, finance and employment, with high, high taxes.

If we don't like it; if we find, in time, that industrial progress is tending to dry up under state control, we shall modify the system and endeavor to bring about a revival of the spirit of private enterprise that has been responsible for progress in the past. And that will not be easy, if taxes are heavy and the prospect of profit small.



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N. McHARDY, Advertising Manager

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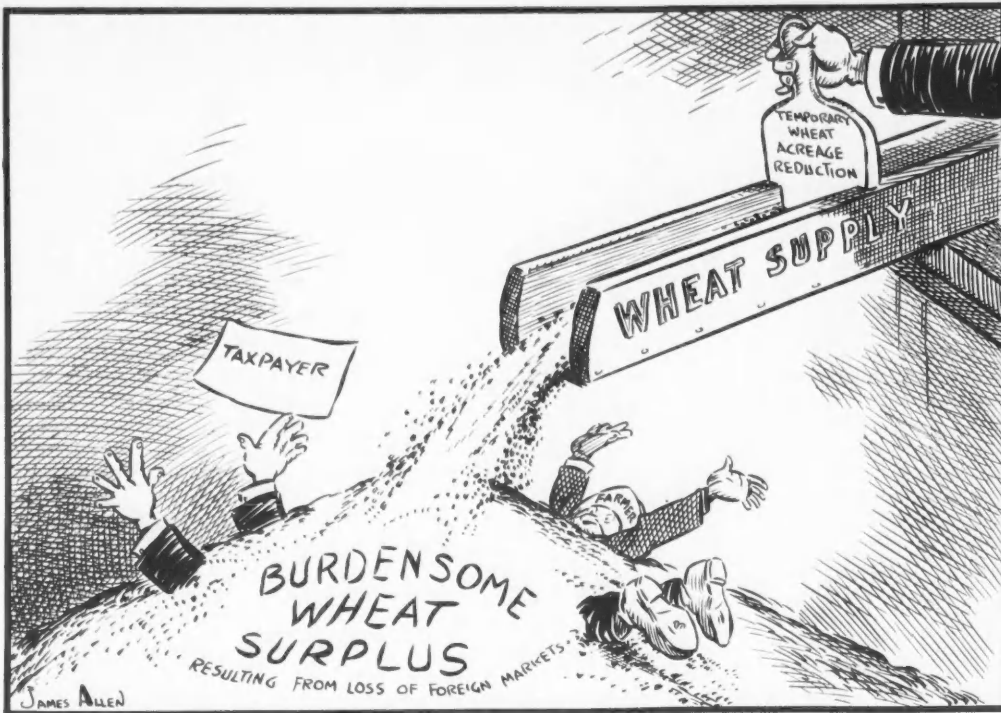
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TIME TO REGULATE THE FLOW?

GOLD & DROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast.

MacLEOD-COCKSHUTT

Editor, Gold & Dross:

As the holder of some shares of MacLeod-Cockshutt, I would like to have a brief review of recent developments, which I hear are quite favorable.

—T. R. B., Stratford, Ont.

The new orebody located at MacLeod-Cockshutt Gold Mines from the long drive west in the north zone on the 500-foot level provides the outstanding recent development in that it has assumed major dimensions. It is now calculated to contain 1,000 tons per vertical foot and at last report was 600 feet in length.

The mine generally is in excellent shape and while the success met with to the west along the north zone has considerably broadened the picture, there is still much ground to be explored. Last September it was estimated ore reserves to a depth of 800 feet exceeded 1,000,000 tons of .261 oz. cut or .291 oz. uncut grade.

The outlook for earnings and a continuation of dividend payments appears satisfactory. The mill is averaging just over 650 tons daily and operating profit is around \$4 a ton. In the first six months of the company's fiscal year ending March 31, 1940, profits were 10.5 cents per share. A substantial improvement in earnings is anticipated in the fourth quarter with the third roaster unit in operation and by the end of the year earnings may be close to a rate of 30 cents per share.

NATIONAL GROCERS

Editor, Gold & Dross:

I am a man who is getting on in years and I have always considered myself quite capable of looking after my own affairs. Now I am being badgered by certain well-meaning individuals who think they should be taking over. Our chief argument is about National Grocers preferred. I think it should be held. "They" think I should sell. What do you think?

D. O. F., Hamilton, Ont.

I think you're right. The \$1.50 preferred stock of National Grocers, Limited, has appeal for income, coupled with limited appreciation possibilities.

I understand that results for the first 4 months of the current fiscal year are considered as being very satisfactory: operations are on a par or a little ahead of those of one year ago; and because of the generally improving business conditions in Canada, prospects are promising. Earnings in the year ended March 31, 1940, were equal to \$4 per preferred share, against \$2.97 in the previous fiscal year. The company has a consistently good earnings record and the financial position is satisfactory.

National Grocers Company, Ltd., is a wholesale grocery concern which distributes its products to over 10,000 retail grocers in Ontario, including a chain of 700 "Red and White" stores. The company owns two manufacturing plants, one at Owen Sound and one at Toronto; the former is inactive. The plant in Toronto is engaged in the preparation of coffee, tea, spices, extracts, etc., which it markets under the trade name "Gold Medal." In the principal towns and cities of Ontario, 32 warehouses are located.

SENATOR-ROUYN

Editor, Gold & Dross:

Some time ago you were kind enough to answer an inquiry for me on the Senator-Rouyn situation. I would now greatly appreciate learning if any further progress towards production has been made.

—H. L. S., Ottawa, Ont.

Yes, Senator-Rouyn Mines is reported to have made an arrangement with Arntfield Gold Mines for the treatment of 300 tons of ore daily at the latter's mill on a rental basis.

Senator-Rouyn proposed flotation of a bond issue to finance construction of a mill and open up a block of three new levels, and shareholders recently authorized directors to borrow up to \$400,000 by such means, also to increase the capital from 3,000,000 to 3,500,000 shares. It is expected under the deal with Arntfield the company will be able in a year or so to raise sufficient funds to carry out its plans.

Ore reserves at Senator-Rouyn are estimated at 200,000 tons averaging .265 oz. (\$10.20 with gold at \$38.50 an oz.) to a depth of 50 feet below the 500-foot level. Deeper levels have been established at 625, 750 and 875 feet. Diamond drilling indicates that the ore zone persists to at least 800 feet. The agreement is for one year and Arntfield will discontinue milling its own ore while it is in effect.

KELVINATOR

Editor, Gold & Dross:

Please let me have your opinion of Kelvinator of Canada common stock.

—A. K., Sydney, N.S.

The common stock of Kelvinator of Canada, Ltd., is a business man's investment of more than average appeal. Over the intermediate term, it has considerable appreciation possibilities. Whether or not increased taxes, and particularly the new income tax, which are aimed at reducing the consumption of luxury articles will have an adverse effect upon the company's business remains to be seen. But the possibility adds some measure of speculation to the stock.

The declaration of another dividend of 50 cents per share, payable September 20, and duplicating a similar payment made on June 28, indicates that business in the current year is well ahead of last year when only 50 cents per share was paid. In the year ended September 30, 1939, net was equal to 86 cents per share, against \$1.26 in 1938 and \$1.56 in 1937. Dividends of 75 cents per share and \$1.00 per share were paid in 1938 and 1937, respectively. The financial position is strong.

Kelvinator of Canada, Limited, has the exclusive right to manufacture and distribute "Kelvinator" and "Leonard" refrigeration equipment in Canada and the British Empire. Wholly-owned subsidiaries are Kelvinator, Ltd., with headquarters in London, Eng., which manufactures and distributes products abroad, and the Leonard Refrigerating Company of Canada, Ltd., and the Refrigeration Supplies Co., Ltd.

LEITCH

Editor, Gold & Dross:

I am thinking of buying some Leitch Gold Mines' shares which I notice are returning a very high yield. What are the earnings and has the company ample ore reserves?

—E. R. S., Dauphin, Man.

Leitch Gold Mines at present is yielding about 17 per cent. Earnings for the first six months of the current year were \$145,580, or 5.10 cents a share, as against \$118,214 or 4.14 cents in the same portion of 1939. Net profit for the three months ended June 30th was equivalent to 2.21 cents after making provision for the full Excess Profits Tax for the first six months. Dividend requirements are two cents quarterly. Earnings are high considering the milling rate is only 85 tons daily and indications point to a continuation of present production and earnings.

Ore reserves at the end of 1939 were estimated at 121,606 tons, sufficient to supply the present milling rate for over four years. The shaft is now being deepened a further 625 feet to a depth of 1,650 feet and five new levels will be opened, and their development will likely take up most of next year. Leitch is also engaged in diamond drilling the adjoining Halport Gold Mines property, which it controls.

PRIVATEER

Editor, Gold & Dross:

Attracted by the high yield I recently purchased some Privateer Mines shares but now learn that the dividend has been reduced from five to three cents. I would like to know what caused the cut. Is production down or is it due to higher taxes?

—F. E. F., Victoria, B.C.

According to President D. S. Tait, the reduction in the quarterly dividend rate of Privateer Mines from five to three cents per share is not attributable to any decline in earnings, but is for the purpose of building up the surplus, providing for increased war-time taxation and to make certain that ample funds are available for development of the Proserpine property if the option is exercised. I understand since, however, that the directors have decided against proceeding with the option on a controlling interest in Proserpine following the report of two consulting engineers.

Production at the Privateer Mine continues as usual and recent ore developments are stated to have been quite favorable. Output in the June quarter was valued at \$288,111 as compared with \$279,854 in the previous three months. The company is exempt from Dominion Income Tax for 1940 and Excess Profits Tax will be 12 per cent. of the net earnings.

CONIAURUM

Editor, Gold & Dross:

Will you please give me a brief report on Coniaurum as I am thinking of purchasing some. How are earnings running and what results are being met with at depth? Is the company controlled by Ventures?

—J. L. B., Bathurst, N.B.

The situation at Coniaurum Mines at the end of 1939 was reported as the best in its history. While the year was a very profitable one earnings for the first half of 1940 were considerably higher. Profits, after making provision for taxes, but before writeoffs, totalled \$320,421, about one-third higher than the corresponding period last year and the reserve for taxes was increased to \$58,000 from \$41,700. Consequently earnings this year will likely be well about the 16.4 cents of 1939, out of which 16 cents was paid as dividends. With a continuation of present earnings similar dividends can be maintained.

Development is well ahead of mill requirements and drifting last year opened up about twice as much ore as in 1938. Good ore has been developed from the 2,000-foot to the 5,000-foot level and the outlook is said to be favorable. A considerable tonnage will be produced in the area near the Goldale winze extending from the 2,000 to the 4,400-foot level. Many veins and lenses occur, some of which are up to 15 feet in width in place, and it will take years to mine them all out. The shaft has been deepened to 5,000 feet and exploration is said to be quite encouraging. Much interest centres in this depth work but it will likely be the end of the year before the picture is unfolded.

Yes, Ventures controls Coniaurum and holds 1,429,257 shares.

WENDIGO

Editor, Gold & Dross:

I hear reports that the outlook for Wendigo Gold Mines has improved and would welcome any information you can give me. Is a profit being made and how are ore possibilities shaping up?

—M. F. H., Sault Ste. Marie, Ont.

A moderate profit is being made by Wendigo Gold Mines, net earnings for the year ending April 30th, 1940, being 2.4 cents a share as against 1.98 cents in the previous 12 months. Con-

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DOW THEORY COMMENT

In response to numerous inquiries, we wish to announce that the publication of the series of DOW THEORY COMMENT letters is being continued with the same objectives as in the past.

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BUSINESS AND MARKET FORECAST BY HARUSPEX

The cyclical or major direction of stock prices was last confirmed as downward. The short-term movement was confirmed as upward on June 12.

WATCHFUL WAITING

We see no occasion, as yet, to change our viewpoint, as expressed over the recent period of market strength, or since the Dow-Jones industrial average entered the lower part of the 126/139 area previously projected herein as normal recovery limits to the panic break of May. This viewpoint was stated, in last week's Forecast, as follows:

"In view of the uncertainties, particularly as concerns the foreign situation, we would regard the current level, or any immediate extension of prices, as one where a cautionary policy should be adopted. We express this viewpoint in the light of the fact that the market has now attained minimum rally levels projected herein, following the May break, as normal to a corrective movement, and because of the further knowledge that markets, following the usual corrective rally from a panic break, customarily return to or below the panic low points."

"Now, and increasingly so should further strength develop, would seem a favorable occasion, as alluded to last week, for the building up of cash reserves, or buying power—purely on the fire insurance principle—by those who failed to act on technical indications just prior to the panic break earlier this year. Cash reserves can be re-employed when and if price weakness develops over the weeks ahead, or, in the absence of such weakness, when evidence is present that an immediate crisis over foreign developments is to be avoided."

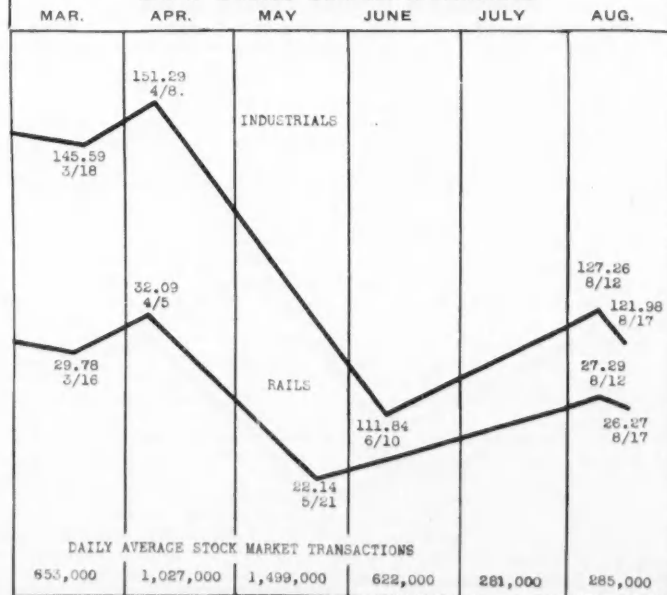
IN THE INTERVAL

In the interval, that is, commencing on Tuesday August 6, the Blitz, which involves mastery of the air over Britain as a first and primary objective, has started, and the slow rally from the May bottoms may have culminated. While we have previously expressed an opinion that we doubt Hitler's final victory in his proposed invasion, we have likewise said, and herein reiterate, that from an investment standpoint it would seem better to assume that Hitler will be successful until the contrary is proved.

Stated otherwise, because the outcome is unpredictable, regardless of convictions on the subject, and because market risk is thereby necessary whether the investor be all stocks or all cash, it would seem more advisable to be caught with some buying power in the event of a Hitler failure than to be with no reserves in the event of a Hitler triumph.

Current procedure is now one of letting the market and the news develop—with further sales on any immediate run-up in prices not accompanied by evidence of a decisive German defeat, or re-employment of cash reserves as outlined in the quoted paragraph above.

DOW JONES STOCK AVERAGES



(Continued on Next Page)



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If you are a Mason, write at once, without incurring any obligation, to the Protective Association of Canada, Granby, Que., or to your local agent, for full details.

Dividend Notices

Canadian Pacific Railway Company

DIVIDEND NOTICE

At a meeting of the Board of Directors held today, an interim dividend of two per cent. on the Preference Stock in respect of the year 1940, was declared, payable, subject to the approval of the Foreign Exchange Control Board, on October 1, 1940, to Shareholders of record at three p.m. on September 2, 1940.

By order of the Board,
FREDERICK BRAMLEY, Secretary.
Montreal, August 12, 1940.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 70

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this company, payable Monday, September 16, 1940 to shareholders of record at the close of business on Friday, August 23rd.

DIVIDEND NO. 71

A dividend of \$1.00 a share has been declared on the outstanding no par value Common Stock of this company, payable Monday, September 16, 1940 to shareholders of record at the close of business on Friday, August 23rd.

By Order of the Board,
FLETCHER RUARK, Secretary.
Walkerville, Canada.
July 29, 1940.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 335

A regular dividend of 1¢, has been declared by the Directors on the Capital Stock of the Company, payable on the 30th day of September, 1940, to Shareholders of record at the close of business on the 26th day of August, 1940.

DATED the 17th day of August, 1940.

I. McIVOR,
Assistant-Treasurer.

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND NO. 52

NOTICE is hereby given that a dividend of Fifty Cents per share, on the issued capital stock of the Company, will be paid on the fourteenth day of September, 1940, to shareholders of record at the close of business on the thirty-first day of August, 1940. The payment of this dividend is subject to the approval of the Foreign Exchange Control Board.

By order of the Board,
KIRKLAND SECURITIES, LIMITED, SECRETARY.
Dated at Kirkland Lake, Ontario, August 15th, 1940.

McKENZIE RED LAKE GOLD MINES LIMITED

(No Personal Liability)

DIVIDEND NO. 15

Notice is hereby given that a Quarterly Dividend amounting to three cents per share, for the third quarter of 1940 has been declared, payable September 16th, 1940, to shareholders of record at close of business September 2nd, 1940.

By order of the Board,
H. M. ANDERSON, Secretary-Treasurer.
Toronto, Ontario, August 10th, 1940.

CHEMICALS INDUSTRY

CANADA is a large consumer of chemical products. The greater part of the home market is supplied by the domestic industry but both imports and exports are important. Over 20 per cent. of the apparent consumption comes from imports, while more than 12 per cent. of the domestic output goes into the export trade. The chemicals industry of Canada has made rapid progress in recent years. In the last ten years the estimated volume of output in this industry has advanced by close to 40 per cent.



A Northrop Delta airplane under construction in an aircraft factory in eastern Canada. These speedy planes are used in the Royal Canadian Air Force for photography and other general jobs.

GOLD & DROSS

(Continued from Page 8)

siderable improvement was shown in operating earnings, but write-offs for depreciation and non-production development were higher, while the reserve for taxes of \$28,755 compared with \$1,273 in the preceding year. The working capital position was strengthened, costs were reduced and ore reserves increased slightly. Net working capital of \$229,792 compared with \$109,606 at the end of April, 1939.

Ore reserves are sufficient for present mill requirements for about 14 months. Practically all ore mined to date has been from west of the shaft, which zone becomes shorter and narrower from the 550-foot level to the 1,100-foot horizon. No development has been done below the 1,100-foot level. Development on the 500-foot horizon to the east has opened up an orebody 330 feet long, three feet wide and of \$12 grade. While ore has been encountered above and below this level it has not so far been as important and it remains for further development to ascertain if the eastern ore will have the same vertical continuity as that to the west.

Drifting east on the 650 and 850-foot levels was recently reported as advancing in good ore. Although good values to the east are more erratic the ore carries an appreciable copper content which adds to its value.

SANSHAW

Editor, Gold & Dross:

Early this year I understood efforts were underway to pay off the debts of Sanshaw Mines. Did these fall through? What are the prospects for resumption of work?

—J. C. K., Winnipeg, Man.

While efforts underway to raise finances earlier this year apparently did not meet with much success, Sanshaw Mines is now reported as having made new financial arrangements with Toronto interests, and further work is planned for the company's property at Red Lake. A program of deep diamond drilling and underground development is proposed.

Considerable diamond drilling has already been completed on the property and this is said to have indicated a wide zone carrying interesting gold values. Including all zones near, or on the main zone, a grade of \$6.50 was secured across 20 feet for a length of 385 feet. A mining plant had been installed preparatory to shaft sinking but I understand that most of this has since been sold to clear off outstanding debts.

NATIONAL STEEL CAR

Editor, Gold & Dross:

I would like to get information and advice on the common stock of National Steel Car. Please discuss this company.

—O. D. D., Edmonton, Alta.

At the present time the stock of National Steel Car Corporation has limited appeal as a speculation on the extent to which the company will benefit from war-time business. Over the intermediate term, the company should begin to cash in on its potentialities. In brief, the short term appeal of the stock is no more than average, but regarded as a speculative buy for holding over the intermediate term, it has considerable appeal. The reasoning behind the foregoing statements is simply this: the company's miscellaneous business has been increasing since the outbreak of the War, but, since it has followed a conservative policy in charging off development expenses on aircraft and other lines, there will be little or no improvement in earnings for the fiscal year ended June 30, 1940. I think you can expect net to be around the \$3.59 of the last fiscal year. Despite a \$5,812,000 railway equipment order

from the Canadian government, the company's car shops turned out less work in 1939-1940 than in the previous 12 months when it had the advantage of a large carryover of orders.

I think you can expect the past year to result in operating profits which will rank with the best year in the company's history; which means that it will be around the \$1,803,791 shown in 1929-1930, which was the peak year. However, deductions for depreciation, etc., will probably be higher than at any previous period, for you must remember that National Steel Car has been making heavy capital expenditures, notably along lines which would speed up production of aircraft and munitions. Then, too, there will be normal income taxes and excess profits taxes which must be met. And these will be higher than at any time in the past.

National Steel Car is one of the leading builders of railway freight and passenger cars in Canada. The company also makes drop forgings, steel pressings and parts sold to the railways for repairs and to other assembly plants. Production has been diversified to include motor car chassis, equipment for mining, logging and industrial plants and aircraft. National Steel Car is a member of Canadian Associated Aircraft which was formed in 1938 to fill British Government orders. The financial position is strong.

NEW BOOKS

The Oil Business

BY W. A. McKAGUE

THIS FASCINATING OIL BUSINESS, by Max W. Ball, McClelland & Stewart, \$2.75.

OF THE thousands of books that have been written to describe specific industries, the great majority are dull to the layman. Some have sought popularity at the expense of information. A very few succeed in both ambitions. This volume does so to a very high degree. Mr. Ball's presentation is pleasing. Every chapter, in fact every page, is easy to read. And yet the book seems to be exhaustive in its information.

Every phase of the industry, from geology to consumption, is adequately covered, as is also every country having the slightest output or prospect of oil, and also every stage in history. There are numerous drawings or illustrations of rock and oil formation, of drilling and refining equipment, and of oil products.

The author takes credit for keeping statistics out of his text, but he gives some tables at the back.

Probably the most striking fact about the whole oil business is the dominance of the United States, which produces over 60 per cent of the world output, the nearest competitor being Russia with about 10 per cent, then Venezuela with slightly under 10 per cent. Some 25 other nations range down from about 4 per cent for Iran to insignificant amounts. Consequently, any nation aspiring to development based on the use of oil must have access to one of the big sources, and, in view of the extent to which Russia needs her own output, this means America. Without such a supply, the use must be sparing.

Canada being relatively small from the viewpoint of world production, having less than one per cent of the world total, does not figure largely in the book, but it is recognized as having three distinctions. It has the world's most northerly oil field, at Fort Norman; it has the greatest known oil deposit, in the so-called tar

sand of Alberta, which is "neither fluid enough nor under sufficient pressure to make its way into wells;" and it possesses the only city (Calgary) which has based three oil booms on one field (Turner Valley).


Western Oil

BY T. E. KEYES

AT THE present time negotiations are well under way between several Alberta oil groups and major Canadian and U.S. oil interests. The deals involve several partially developed and wildcat areas and will mean large drilling and exploration commitments.

In the case of one major Canadian oil company, the acreage involved is around 250,000 acres, which was previously optioned to the M. L. Benedum interests of Pittsburgh. The U.S. oil interests at present known to have representatives in Alberta are from New York, Pittsburgh, Chicago, Tulsa, Seattle, San Francisco and Los Angeles. I am told that some of these groups are prepared to take on substantial drilling commitments on some of the partially-proved outside structures, and next week I may be able to give you details of these deals, as they should be completed by then.

The interest in the oil business is increasing from day to day. Last week I had individuals from Winnipeg, Regina, and Montreal drop in to see me to discuss the oil situation. One of these parties, who enjoys an excellent reputation and considerable means, was under the impression that it would be rather difficult to break into the oil business, as he understood the Dominion Oil Controller would not issue a license to drill wells or organize a new company to anyone who is not already established in the industry. If this policy were pursued by the controller it would mean that anyone who is presently operating an oil company would be permitted to carry on regardless of the record of his past



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operations. In my opinion, in issuing licenses, the past record of the individual should be considered, and if a reputable and capable person wants to break into the oil business, he should be permitted to do so. I appreciate, of course, that some promoters or individuals who have just kept within the law may want licenses and that it is difficult for a public official to turn them down.

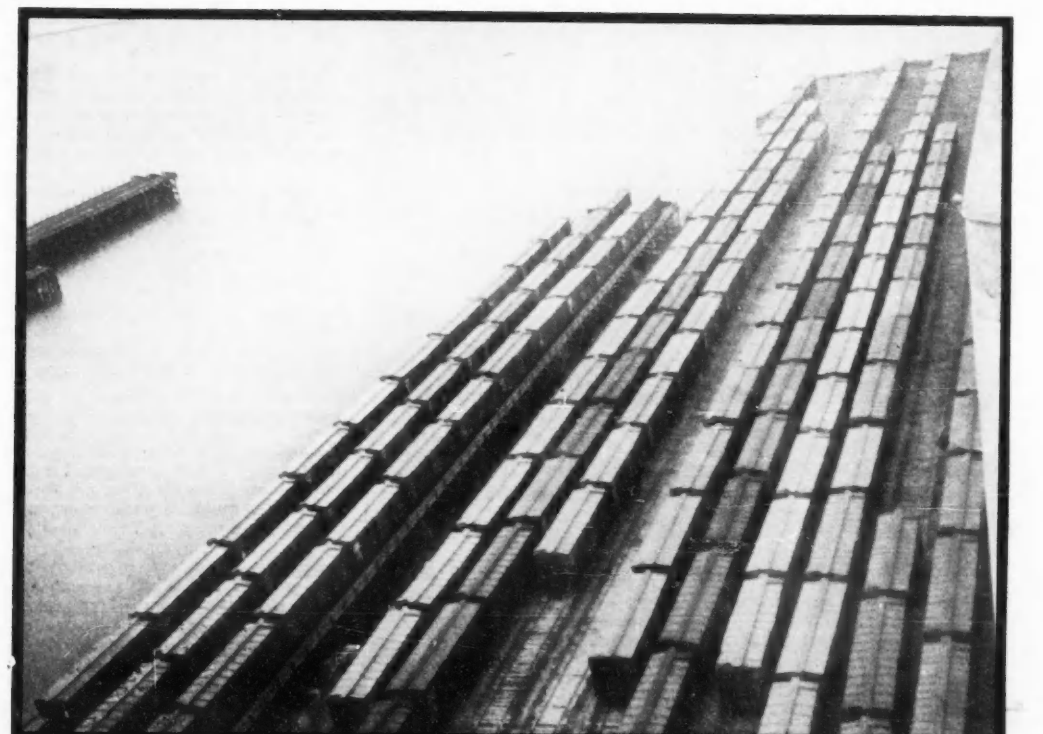
You will remember that I said in my column recently, that G. R. Cottrell, the new Dominion Oil Controller, was working on a plan to foster drilling and put operations on a sounder basis. To repeat in part a statement which he made publicly: "... the controller is considering the advisability of licensing those who will drill new wells in order that the undertaking shall be free of certain unsound practices in the past." I said then that there was a wide divergence of opinion as to what was meant by licensing and whom it would affect.

Now, if Mr. Cottrell is going to clamp down on the type of promoter whom I mentioned a paragraph or so above, then all the more power to him.

On the other hand, if he is limiting permits to certain groups or selected individuals, then I am afraid he is in for plenty of criticism.

The new schedule listed below gives an investor in royalties on the wells or in stock in the various companies an idea of what the gross revenue of his company is. They should, of course, deduct the amount of the gross royalties payable on each well. The price of the oil is \$1.25 a barrel.

	July 6	Aug. 1
Alta. Oil Incomes 1	New	700
Anglo-Canadian 1	225	210
Anglo-Canadian 3	300	275
Anglo-Canadian 4	250	240
Anglo-Canadian 5	250	200
Anglo-Canadian 6	500	400
Anglo-Canadian 7	550	650
Anglo-Canadian 8	28	28
Anglo-Phillips 1	New	400
Argus 1	75	75
Arrow 1	750	800
B. & B. 1	77	73
Barsac 1	145	120
Brit. Colonial 1	300	300
Brown 1	82	81
Brown 2	207	250
Brown 3	143	139
Brown 5	85	85
Calmont-N.W. 1	325	325
Calvin 1	90	80
Command 1	400	300
Command 2	600	485
Commoil 1	500	300
Commoil 2	275	235
Commoil 3	New	500
Coronation 1	250	200
D. & D. 1	160	150
Davies 1	190	190
Davies 2	186	200
Davies 4	198	210
Davies 5	50	30x
Deep Oils 1	350	325
East Crest 4	65	65
East Crest 5	300	250
Extension 1	400	400
Extension 2	400	375
Firestone 1	75	75
Foothills 6	New	350
Foundation 1	65	65
Four Star 1	155	240
Frontier 1	225	225
Globe 1	140	125
Granville 1	85	70
Harris 1	100	90
Harris 2	215	250
Home-Mill, 2	1064	1025
Home-Mill, 3	1100	975
Home-Mill, 4	500	475
Inter-City 1	110	110
Kamalta 1	250	175x
Mercury Roy. 1	169	53
Model 1	105	105
Model 2	23	20
Model-Spooner 2	149	147
Monarch 1	80	80
National 1	98	103
National 2	95	80
N.W.-H.B. 1	220	220
N.W.-H.B. 2	150	150
N.W.-H.B. 3	400	400
Oil Ventures 1	185	165
Okalta 7	100	80
Okalta 8	222	207
Pacific Pete, 1	220	300
Pacific Pete, 2	175	165
Pacific Pete, 3	225	190
Prairie 1	200	194
Royal Can. 1	238	200
Royal Can. 2	263	265
Royal Can. 3	225	200
Royal Can. 4	450	400
Royal Crest 1	110	110
Royalite 28	113	90
Royalite 29	150	200
Royalite 30	275	325
Royalite 31	132	125
Royalite 32	132	132
Royalite 33	178	150
Royalite 34	90	80
Royalite 35	250	250
Royalite 36	330	425
Royalite 37	300	300
Royalite 39	368	290
Royalite 40	200	180
Royalite 41	240	240
Royalite 42	310	350
Royalite 43	350	400
Royalite 45	370	340
Royalite 46	400	400
Royalite 48	420	500
Royalite 50	316	250
Royalite 51	New	250
Share 1	75	55
S. W. Pete, 3	340	325
Spy Hill 1	25	25
Sterling Pac, 4	125	110
Sterling Pac, 5	182	200
Sterling Pac, 6	175	135
Sunburst 1	100	105
Sundance 1	250	225
Sunset 1	375	225
Sunset 2	200	200
Three Point 1	48	46
Trail Ltd. 1	125	100
T. V. R. 1	136	162
United 5	199	250
Vanpeg 1	190	80
Vulcan-Brown 1	500	461
Westflank 1	60	60
Westflank 2	60	59
Westflank 3	42	43
Westside 1	80	80
Winalta 1	325	265
York 1	320	250
York 2	155	140
York 3	300	220
TOTALS	26,000	26,828



The largest single unit grain elevator in the world is at Port Arthur, Ontario. Here are 150 cars loaded with grain which will be dumped into the elevator's bins in five hours—an average of thirty cars of wheat an hour. The twin cities of Port Arthur and Fort William form one of the largest storehouses in the world.

—Eric Butterworth.

CONCERNING INSURANCE

How Much Insurance Should You Have?

BY GEORGE GILBERT

IT IS still true to a large extent that the average insurance buyer has no very definite idea as to how his life insurance will support those dependent upon him in the event of his premature death. He has bought his insurance with no well-thought out plan in mind, and with no certainty that it covers his specific needs. The lack of information on the part of many insurance buyers as to what their policies contain, as compared with what they know about their other investments, is often astounding.

Only a generation or so ago, practically all men purchased their life insurance in a haphazard manner, with no thought as to the amount they should have in order to cover their requirements. The amount was usually based on what they thought they could afford for that purpose out of their income. They carried \$5,000, \$10,000 or \$50,000, because those amounts were round figures. If a man had \$17,000, for example, the agent would sell him \$8,000 additional, so as to bring his line up to an even \$25,000. That is, no scientific method was used to determine the amount of insurance he should have.

Of course there has been a considerable change for the better since then. Today many men, with the assistance of qualified life underwriters, are setting their houses in order, so to speak, by carefully planning a business-like arrangement of their life insurance policies so that they will accomplish the objectives they have in mind for the benefit of their dependents and of themselves. In other words, they now have a life insurance program and a competent life insurance man as adviser.

Instead of facing the facts with regard to their insurance needs, many men are inclined to shy away from sales talks dealing with the monthly income angle of their existing protection. They find it more comfortable to cultivate the feeling that all is well when one has a policy for, say, \$10,000, than to start figuring how long this amount will continue to pay the monthly rent and food bills of the family.

But whether or not a man is able to provide sufficient insurance to leave a continuous monthly income for life to his dependents, there is no doubt that insurance buyers today appreciate more than ever before the advantages of income over lump sum payments to beneficiaries. The assertion that "my wife is capable of supervising the investment of the funds I leave her," is now seldom heard. During the past ten years, too many men have found that they themselves are incapable of so doing, and so they now do not expect so much of their wives.

ness-like arrangement of their life insurance policies so that they will accomplish the objectives they have in mind for the benefit of their dependents and of themselves. In other words, they now have a life insurance program and a competent life insurance man as adviser.

Inventory and Budget

In the case of the head of a family who desires to ascertain how much life insurance he should have, it is necessary for him first to take an inventory of his present assets or estate, and then make up a budget representing

the expenses that will be incurred by his family after his death if they are to continue to enjoy the standard of living to which they were accustomed during his lifetime.

It will be found in many cases that a man's income will not be sufficient to enable him to set up at one time a life insurance program to completely cover the ascertained needs. But he should acquire a knowledge of what his specific needs are, and then cover them to the best of his ability in the logical order of their importance. As his income increases, he will be able to buy additional insurance until he has a complete program that rounds out his financial estate.

Among the various needs for life insurance, some or all of which should be included in a life insurance program, are the following: Cash or clean-up fund to pay expenses of last illness, debts, succession duties, etc.; dependency period income; educational funds for children; life income for widow; life income for daughters; income for sons to ages 21, 25 or 30; retirement income for insured's old age.

Few men, even those of large means, have given careful thought to the exact situation which will confront the family at their death. They generally picture their estate as intact, and do not take into consideration the "cost of dying." Within a short time after death, as a rule, quite a large sum in cash will have to be realized to meet various requirements. The bills of lawyers, doctors, nurses and undertakers, and other outstanding obligations will have to be paid. Taxes and succession duties must also be paid.

Cash Required

In the absence of other provision to meet these payments, the gilt edged securities of the estate must be sold to an extent necessary to provide the required funds. In this way, the very heart of an estate, as it were, has often to be sacrificed. Thus it behooves every man to give serious consideration to his own case, and see to it that there is sufficient cash available to take care of these obligations which the widow or the executor will be forced to meet during the first year following his death. Such provision may be made by means of life insurance payable in a lump sum for these specific purposes.

Next in order to the provision of a sum in cash for clean-up purposes in the case of the average man is the provision of an income for the widow during the dependency period of the children, which is the time elapsing from the death of the husband until the youngest child has completed a high school course. During this period an income should be provided sufficient to cover the necessary expenses for rearing the children until they can support or help support their mother. This fits the case of a man who cannot provide a life income for his widow, but can only provide an income for the support of the children until they are able to earn a living for themselves.

For family men who are in a financial position to meet the cost, a policy to provide for the higher education of the children is an important need. Statistics show that a college trained man on the average earns at least \$1,000 a year more than the man who has had only a high school education. Since a college graduate will probably live forty years after leaving college, it means that a man who can give his son a college education is giving him something that on the average will be worth at least \$40,000 to him, as well as fitting him to become a more useful member of the community.

Life Income

Another important need of the family man is the provision of a life income for his wife after his death. It has been said before that every man should support his wife, if possible, "not only as long as he lives, but as long as she lives." It is evident that few men do this, as the records show that about 32 per cent of all widows earn their own living, and that about 90 per cent of all widows over 65 are either wholly or partially dependent upon the charity or generosity of others. By having a policy which provides an adequate income for her as long as she lives after his death, a man can make sure that this will not happen to his wife.

A further important need may be the provision of a life income for a daughter. No one can foretell what



CHARLES SHAW BAND, vice-president of Gutta Percha & Rubber Ltd., who has been elected a director of the Canadian Surety Company. He is also a director of many other Canadian companies.

—Photo by "Who's Who in Canada".

the future has in store for her. She may marry happily, but on the other hand she may marry a man who turns out to be a failure. A small income for life will make her independent in the event ill luck should overtake her, her husband and her family. A policy of life insurance is a safe means of providing such an income.

There is another important need of the family man and of the man without a family, which is provision for his own old age. Some one has said truly that "the wail of a hungry child is no more pitiable than the stoop of an old, dependent man." The importance of making such provision is emphasized by the fact that only about ten men are self-supporting at age 65 out of every hundred who are healthy and vigorous at age 25.

A retirement income policy will take care of this important need. In fact, should the time arrive when protection of dependents is no longer required, the cash values of the policies provided for that purpose may be utilized to provide an income for the insured himself or for himself and his wife as long as they live.

Life Sales in U.S. Down 3.9% For Half Year

NEW life insurance in the United States for the first half of 1940 showed a decrease of 3.9 per cent in comparison with the corresponding period of last year, The Association of Life Insurance Presidents reported to the United States Department of Commerce.

For June, Ordinary insurance increased 3.3 per cent and Industrial insurance decreased only 3/10 of 1 per cent. Group insurance, however, was off 74.8 per cent due to an unusually large amount for June of 1939 rather than to a subnormal amount for June of this year. This resulted in a decline, for all classes, for the month of 18.1 per cent.

The report aggregates the new paid-for business—exclusive of revivals, increases, and dividend additions—of 40 United States companies having 82 per cent of the total life insurance outstanding in all United States legal reserve companies.

For the first six months, the new business of all classes of the 40 companies was \$3,679,456,000 against \$3,830,307,000 during the corresponding 1939 period—a decrease of 3.9 per cent. New Ordinary insurance amounted to \$2,552,771,000 against \$2,677,034,000—a decrease of 4.6 per cent. Industrial insurance was \$782,887,000 against \$742,322,000—an increase of 5.5 per cent. Group insurance was \$343,798,000 against \$410,951,000—a decrease of 16.3 per cent.

The new business of the 40 companies for June was \$597,450,000 against \$729,749,000 for June of last year—a decrease of 18.1 per cent. New Ordinary insurance amounted to \$420,272,000 against \$406,958,000—an increase of 3.3 per cent. Industrial insurance was \$128,232,000 against \$128,568,000—a decrease of 3/10 of 1 per cent. Group insurance was \$48,946,000 against \$194,223,000—a decrease of 74.8 per cent.

Careless Adjusting

IN HIS Quarterly Report, Ontario Fire Marshal W. J. Scott, K.C., has the following timely comment:

"Attention of all insurance adjusters and fire insurance companies is drawn to the extreme desirability of the proper taking of proofs of loss for fire claims. In quite a number of fires recently investigated by the Fire Marshal's Office there has been evidence of much carelessness and sloppiness on the part of the adjusters handling the claim and by the companies who accepted incomplete proofs of loss. Usually this arises through the adjusters neglecting to have the detailed list of the goods destroyed or damaged marked as exhibits to the proof of loss. This negligence is sometimes a bar to successful criminal prosecution and may also prevent the insurance company from defending a fraudulent claim.

"In a recent fire investigation, it was found that the claimant had given the insurance adjuster a handwritten list with the values totalling a certain sum. Payment was made for a slightly smaller sum, but no list was attached to the proof of loss and marked as an exhibit giving the particulars of how this was made up. In an investigation by the Fire Marshal's Office certain goods were found which had been removed from the house prior to the fire, goods which were on the original handwritten list supplied by the assured. However, as this list was not part of the proof of loss and the amounts claimed differed, the finding of this furniture removed before the fire was valueless as far as a charge of arson or attempt to defraud an insurance company was concerned. In another case, it was found that a certain set of glassware had been through five fires and apparently five insurance companies had paid for damage to it in these instances. No action was possible because the adjusters either just took a proof of loss for a lump sum without any details, or, if they did give any inventory, the whole inventory was lumped without dividing the goods out into sections of what was totally destroyed and what was only partially damaged.

"The Ontario Superintendent of Insurance, in co-operation with the Fire Marshal's Office and a committee from among the farm mutual companies, has recently issued a model Proof of Loss form for use among the farm mutual companies in Ontario, together with detailed directions as to how a proof of loss should be taken. From the experience in the investigation of fires by the Fire Marshal's Office, many of the licensed insurance adjusters and many of the stock and cash mutual fire insurance companies could with real advantage ask for copies of this form and instructions from the Superintendent of Insurance."

Inquiries

Editor, Concerning Insurance:

Will you please furnish me with a report on Lloyd's of London, whether they are licensed in this country, and whether they have a deposit with the Government here for the protection of Canadian policyholders. What is their record in regard to paying claims?

—W. A. M., Tisdale, Sask.

Lloyd's non-marine underwriters are regularly licensed in various Provinces for the transaction of all classes of insurance except life insurance. They are not registered at Ottawa, as there is no provision in the Dominion Insurance laws for the registration of such insurers, and they have no deposit with the Government at Ottawa for the protection of Canadian policyholders. Under the provincial laws, no government deposit is required of such insurers, but they have made voluntary deposits of \$50,000 with each of several Provinces.

In insuring with Lloyd's underwriters, you are not insuring with a single entity like an insurance company but with a large group of individual insurers, maybe a hundred or more, according to the number of names on the policy, each of whom is liable only for the amount set opposite his name on the policy, the liability being several and not joint.

Undisputed claims under Lloyd's policies in Canada have been promptly paid up to the present, so far as I know. In the case of a disputed claim, suit must be brought against the various underwriters whose names appear on the policy for the amounts for which they are severally liable, unless an agreement is arrived at between the lawyer or lawyers acting for the underwriters and the claimant's lawyer that all the underwriters will be bound by the result of the action against the first underwriter on the policy. This is the procedure usually followed, I understand.

In my opinion, it is more satisfactory to insure with a single entity like an insurance company than with a group of individual insurers like Lloyd's underwriters, other things being equal.

Editor, Concerning Insurance:

About twenty years ago I took out an Insurance Policy 20 pay life—on my son, who was then 16 years old. About three years ago it was necessary for me to secure a loan of \$500. on the above policy. Since then my son has moved to the United States, and his policy has been changed over to the U.S. branch of this Insurance Co., which by the way is a Canadian company with head office in Toronto. The interest on this loan is now due and the company is demanding payment in United States funds—although a year ago they accepted the interest in Canadian funds.

I should like to know if they can compel me to pay in United States funds. As I understand it, the policy is merely collateral, whether in Canada, the U.S., or Timbuctoo, and secures the loan, and in my opinion the interest should stand as it was at the time the loan was secured.

—L. M. G., Welland, Ont.

Under the Uniform Life Insurance Act, in force in all the Provinces except Quebec, it is provided that "every amount to be paid to or by an insurer under a contract shall be payable in lawful money of Canada, unless the contract expressly provides for payment in another currency."

Accordingly, unless the policy provides for payment in United States currency or its equivalent in Canadian currency, the amount payable would be the amount in Canadian money and not in United States funds.



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AGENCY OPPORTUNITIES
IN SOME TERRITORIES THROUGHOUT CANADA

Need Inflation to Ease Financing

BY W. A. McKAGUE

THIS is a tale of two radically different kinds of war finance.

In the last war, we approached the task of raising hundreds of millions of dollars with fear and trembling. Finance had a very bad start through its own unpreparedness. There had been little thought of war, and it came as a bolt from the blue, in early August, 1914. Stock exchanges everywhere were closed, and business stood still. One bank depositor in Toronto demanded his quarter of a million dollars, and he obtained it, in gold! How strange that term is, to a generation which has almost forgotten the look of a gold coin. But he just got under the barrier.

That kind of a run could not be allowed. The Dominion government, possessing no more than the germs of the centralized control that exists today, sought counsel of the leading bankers, and literally went out of its own bounds to rush through a protective order-in-council. Finance Minister Sir Thomas White, in his own "Story of Canada's War Finance," admits that "all the measures adopted were directly contrary to law... the provisions of the Bank Act and other Dominion financial legislation were deliberately over-ridden... the justification was the emergency which existed and the national interests at

In the last war, we borrowed too much and taxed too little. In this war, perhaps we are making the mistake of taxing too much and borrowing too little.

Our finance policy as yet fails to provide the moderate degree of inflation needed to broaden the base for both taxes and loans. There is a danger that the new-found powers of regimentation will be stressed too much. The need of the present moment appears to be a higher price level to ease the entire financial program.

stake... the Order-in-Council embodying the measures decided upon was legally of no validity... it was, however, accepted by the Canadian people."

Gold and currency aside, the problem of war finance still had to be met. The government proceeded to spend money without knowing where it was to come from. Some \$50 millions was needed for the first few months alone. No more than \$30 millions had ever been raised in any Canadian loan up to that time, and all such major issues had been in the London market, which was closed on account of the war. To cloud the domestic situation further, there was a depression of some severity. "It has been suggested," writes Sir Thomas White, "that we should have levied heavier taxation at the outbreak of the war. The effect of this would undoubtedly have been to increase the business depression and probably, through public discontent, materially affect the extent of our participation in the war."

Today we are disagreeing with him. There was still a hangover of depression when the war broke in September, 1929. Nevertheless we clapped on some new taxes at once, and multiplied them a few months later. Patently, a new school of thought is in the saddle. It may be more courageous than that of the 1914 ministry, perhaps; or it may be merely more foolhardy; or it may be playing upon a better disciplined financial machine. But to return to the last war, the outstanding achievement, if such it may be called, was the raising of loans in unprecedented volume. After some months of makeshifts, including an increase in the note issue, temporary loans from the banks, and tentative arrangements whereby Canadian funds for British buying in Canada were to offset British funds for the support of Canadian troops overseas, domestic loans were undertaken.

Inducements to Buyers

The needs were so great that every inducement was proffered, in the way of tax exemption, high interest, discount on the purchase price, and full interest for the first half-year. Thus was the future of public finance handicapped, even though the immediate problem was solved. \$100 millions was raised in December, 1915, a similar amount in the autumn of 1916, and \$150 millions in the spring of 1917, all bearing 5 per cent coupons.

By that time there was an income tax as well as a business profits tax. But war expenses had increased enormously. The coupon rate on new loans was advanced to 5½ per cent. This yield, tax exempt, provided a wonderful haven for war profits and savings. The first "Victory" loan, of November, 1917, raised nearly \$400 millions. Another one late in 1918 raised over \$600 millions, and a further loan in 1919, which was viewed as possibly the last opportunity of the kind, brought in \$650 millions, even without tax exemption. In addition, there was borrowing in New York, and some money was also raised through stamps and savings certificates.

This was the zenith of Canadian borrowing power. The whole financial community served in the campaign, and the people never had enjoyed such a chance, nor such ability to use it. But the whole foundation was inflationary. After the first year or so, prices and wages rose rapidly. Dollars were as plentiful as doughnuts. Taxes were secondary to loans. The theory was to levy merely enough taxation to carry the loan. Trimmed down to a minimum, this meant that a \$5,500,000 tax levy serviced a \$100 million loan. But on the inflated basis, moderate rates of taxes easily yielded more than this. In later years, they did not stand up so well.

An Enormous Debt

Thus we ended the 1914-18 war period with an enormous debt but with taxes which were moderate compared with the present. This article does not presume to criticize the financing of that war. In any event it is gone and done. But we do know that the debt then so proudly erected proved a millstone about the neck of the nation in all subsequent years. It could have been paid off. Instead, it was vastly enlarged.

Another program of war finance is in the making, however, and it is open to either commendation or challenge. True enough, both taxes and loans are being used. But the basic approach is so different on this occasion as to warrant the comment that if we are right now, then we were wrong in the last war; if 1914-18 finance was an achievement, then 1939-? finance is a tragedy.

It will be noted that throughout the last war, apart from conscription of some soldiers towards the end, the incentive was used as the moving force. There was no compulsion of either labor or capital. When goods or services became scarce, the price moved up, and the government paid it. As a partial recompense, the returned soldiers were bonussed and assisted in every possible way.

In the present war, the basic principle of freedom is denied. There is to be no liberty of bargaining in respect to labor, capital or commodities, because everything and every person has already been legislated into the service of the state. This may be good or bad, according to the fairness with which it is applied. Wage rates are being maintained, but any movement towards raising them is discouraged. Interest likewise is being held stable.

Anti-Capital Flavor

But the very fact that wages and salaries in anything concerning the government are substantially higher than they were in the last war, and the highest they have ever been, while interest rates were sharply reduced for purposes of refunding during the depression years, adds an anti-capital flavor to this war's financing. Corporations are taxed at such rates that they will find it difficult to do better, and can easily do worse, than they did in past years.

If this attitude can be strictly adhered to throughout the war, the effects may be fair enough. Workers will continue to get normal wages and salaries, but must suffer something in purchasing power because of war taxes. Investors likewise will continue to receive interest and dividends, a large volume of business in nearly every line providing plenty of scope for reasonable earnings even though opportunities for high profits are eliminated.

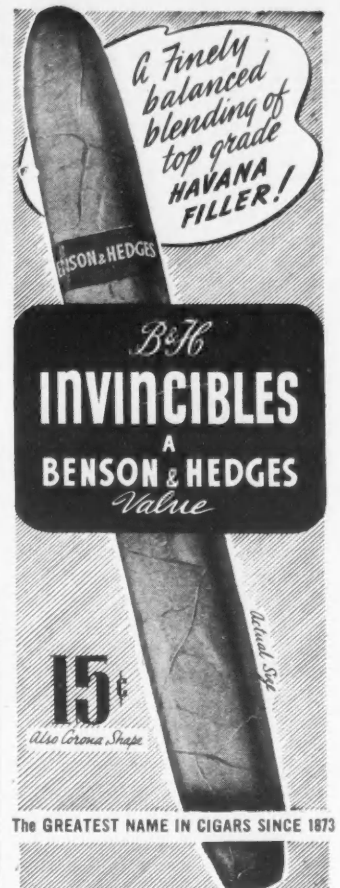
But there is some ground for a fear that the idea of regimentation is being too sternly weighted against enterprise. This war develops in a world which is already hostile to investment, saving, and even hard work, because social trends have levelled the upper strata downwards, while international commerce is so blocked off that the United States remains as the only free mart of any importance, and it refrains from selling for anything except cash. Consequently if you invest or work anywhere in the world, you do so either under a control which is hostile to incentives, or in the United States where possibilities are limited by its own policy.

After their first hopeful rise, the reaction of commodity and stock markets has been pessimistic. Producers with free surpluses of wheat, or copper, or cotton, or rubber, wonder how and where they are going to dispose of them. Investors and traders likewise wonder how their favorite corporations can make profits. In the grain trade, which is so important to Canada, wheat is only seventy cents a bushel, flour markets are few, and the bakers are loaded with a new processing tax which they are expected to absorb. Our lumber, metals and other leading products are being sold, but on terms that severely curtail profits.

Credit Volume Low

These are inevitable incidents to the deflationary method of financing a war, in contrast to what was done in the last war. It is true that bank loans, note circulation and other indices reveal some industrial expansion, but the credit volume is still so low in comparison to good times of the past that any policy which attempts to stabilize it must be viewed as deflationary.

In the brief parliamentary session at the opening of the war, the Fin-



ance Minister outlined a financial policy which aimed first at a moderate degree of inflation, to be followed by an effort to pay for as much as possible of the war cost by taxation. So much misfortune has piled upon the Allied cause since then, and the financial need has become so acute, that some diversion of policy must be allowed.

The Canadian dollar has been pegged at about ten per cent under the U.S. dollar, and the new ten per cent import tax should further tend to raise prices in Canada. But producers have had little opportunity for benefiting. The Canadian price level is barely 14 per cent up from that of a year ago, which was admittedly low. Farm products are scarcely up at all. Nearly all of the advance is accounted for by the exchange and duty that we have to pay. In other words, there has been hardly any real inflation.

The primary producer is discouraged by the fixity of his prices as compared with rising costs. The worker finds his pay envelope similarly weakened in purchasing power. The corporation investor sees more and more of the profit going in taxes. And the owner of government and municipal bonds is even worse off, for he has been cut from five per cent to three per cent which meagre rate is being further curtailed by tax deductions and living costs.

There is imminent danger of the new-found powers of regimentation being exercised too far. We can hardly hope to reach the maximum efficiency in output without allowing some of the cream to permeate through to the producer and the investor. In the last war and the subsequent years we undoubtedly had too much borrowing and too little taxation. Let us not make the error of having too much taxation and too little borrowing in this war. Profiteering is distasteful, but adequate earnings on war orders, and in every phase of economic life, are essential to success.

And what we need above all is a better level of commodity prices, which should be accompanied by a moderate expansion in commercial credit. Until that is achieved, the tax base and the borrowing base will be poor, and the whole program of war finance handicapped.

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BRITISH GIRLS, preparing for war work, operate an oxy-acetylene welder at a training school.

Britain May Discard Purchases Tax

BY GILBERT C. LAYTON

Saturday Night's Financial Correspondent in London

IT WAS a coincidence that Britain's Chancellor of the Exchequer should foreshadow a greatly increased burden of taxation at the same time as the opposition of certain Parliamentary groups to the Purchases Tax reached a point where it suggested the possibility that this form of raising revenue and curtailing consumption would have to be dropped. The conjunction of these two developments was, however, provocative of much conjecture.

For, with British national expenditure at £9½ million a day and increasing all the time, it is clear that if a reasonable balance is to be maintained between revenue from taxation and revenue from borrowing there will have to be some drastic new forms of taxation.

The old budgetary whipping boys may not be dead, but they are profoundly cowed, and, with the best will in the world, tobacco and beer, sugar and tea, petrol and car-licences, and the other accustomed providers for the National Exchequer in time of need, cannot produce much more. And income tax, while it is not yet at its optimum limit, can scarcely support such further increases as will be necessary if the country's appeal is not to be voiced almost entirely through loans.

A Hard Choice

The Treasury is faced with a hard choice—in fact it has some hard choices to make in many spheres—but there are certain inescapable principles which should direct its decisions. First and foremost, the war effort must not be hindered in any degree whatever by financial shortage. Every penny asked for by the Services must be granted freely and promptly. Secondly, this money must be raised in the most painless form, considering not merely the short term but also the long post-war period of reconstruction. Thirdly, it must be raised by dint of as near equality of sacrifice as is possible.

It is this last question which commands itself most to Parliament as a political issue, and it is a reflection of the so-called rich and the poor campaign that there is such a strong agitation for the removal of the Purchases Tax. But even political issues should take some account of the facts. Britain is spending £9½ mil-

lions daily, and it will soon be spending £10 millions; and then £10½ millions. If the Treasury took all incomes over £2,000 a year the country would benefit to the extent of about £60 million—considerably less than a nine-days wonder at the present rate of expenditure. And Mr. Keynes has shown that if all incomes above £500 a year were taken the result would be no more than £620 millions, while if this limit were halved the result would be less than doubled.

Therefore it must not be thought that this people's war can be fought on the rich man's money. He hasn't enough.

Inflation Danger

There is another consideration. Suppose the Chancellor decided that the Purchases Tax did represent an inequitable burden on the poor. Then he would also think that any form of taxes giving a similar effect on a similarly broad range would be unjustifiable. So he would be compelled to raise taxation just to the politically possible level, ignoring the economic possibilities, and concentrate on raising loans to make up the difference. And loans would grow and grow until

Britain's new Purchases Tax has been widely criticized on the ground that it constitutes an inequitable burden on the poor.

But the government needs the additional revenue, and an alternative method of raising revenue and curtailing consumption is not easy to find, unless a return is made to the Keynes Plan, which called for a levy on wages with repayment to come after the war.

It is already demonstrated that the war cannot be fought on the rich man's money, since the rich man hasn't enough.

they made a mockery of the government's intention to hold down inflation, until the weed of inflation was implanted so deeply in the economic field that before long it spread everywhere.

That sort of inflation, which is very different from the controlled variety which in this war is inevitable, would hurt the workers and the poorer classes generally much more than any Purchases Tax would.

There is an alternative to the Purchases Tax which has at least equal potentialities for preventing inflation. But the Keynes plan has received the same criticisms from the same quarters as those visited on the Purchases Tax. The Keynes plan was a levy on wages, better than a wages tax in that it was really a postponement of wages, with repayment to come after

the war. It is not necessary to go over the bitterness caused by this suggestion, and it would be vain to guess at the reasons which persuaded Sir John Simon when he was Chancellor of the Exchequer to reject it.

But it should be said that the time is past when really effective schemes should be rejected merely because they are unpalatable. The war itself is unpalatable enough, and the raising of money for it cannot be an altogether pleasant operation. It is to be believed that, with a new administration in which the whole country has the deepest faith and which it eagerly supports, there is no section of the community which will quibble about painful practices if it is shown that they are necessary.

Sir Kingsley Wood's new taxes (the Budget is expected in September)



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will have to be hard indeed if they are to be of any use, and this is not the time for Parliament to use Party arguments in order to thrust impossible burdens on the rich and to vouchsafe impossible freedom of sacrifice to the poor.

If the Purchases Tax is criticized because it puts up the cost of living, then its critics must present some other scheme which will raise the

same amount of money, exercise the same restraint upon consumption, prevent inflation, and not put up the cost of living. If the Keynes scheme is criticized because it affects working class incomes, then its critics must show some other way of raising the same amount of money and with the same safeguards against inflation. If they cannot do this their mouths are better shut.

Mines

BY J. A. McRAE

INTERNATIONAL Nickel Company of Canada made a net profit of \$1.17 per common share during the first six months of 1940 as compared with \$1.15 in the first half of 1939 and \$1.08 per share in the corresponding period of 1938. Gross earnings for the six months were \$35,266,000, an increase of almost \$6,000,000 above the record for the first half of the previous year. The company reserved \$9,247,000 for taxes during the first half of 1940 as compared with just \$4,437,000 in the first half of 1939. Despite this high tax impost the company had a favorable balance of \$17,019,343 to show for the six months' operations. Dividends for the half year amounted to \$14,578,169 on the common shares, thereby leaving a surplus of \$2,515,174. The company's earned surplus now stands at \$71,355,600.

Gold mines of the Kirkland Lake gold area have yielded an average of over \$17,000,000 a year in dividends during the past several years.

Dividends paid by the nickel mines of Sudbury have reached an aggregate of \$308,000,000. The gold mines of Northern Ontario have paid an aggregate of \$338,000,000. The silver mines of Ontario paid \$107,000,000. This aggregate of some \$753,000,000 in dividends from all past operations in Ontario's gold, silver and base metal mines, is now being added to at a rate of between \$65,000,000 and \$70,000,000 annually.

Plans to merge the properties of Hanada Gold Mines and Jalda Gold Mines with Uchi Gold Mines, Ltd., have brought into being what promises to be one of the big tonnage gold mining enterprises of Northwestern Ontario. The increase of capitalization of Uchi Gold from 3,000,000 to 5,000,000 shares as authorized by the stockholders at a meeting held August 21st, will permit completion of the merger to be quickly carried out. The mill already in operation on Uchi Gold Mines is handling 700 tons of ore daily. Gold output during July amounted to \$126,000. With the merger completed, the directors plan an increase of 50 per cent in the capacity of the mill. The enterprise holds some 90 mining claims making up an aggregate of over 3,500 acres.

Sigma Mines is milling 750 tons of ore per day and producing over \$185,000 per month in gold. Orders have been placed for new equipment designed to increase the mill capacity by approximately 35 per cent. The increase should materialize by the close of the current year and suggests the mine will begin 1941 at a production rate of \$250,000 per month.

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TORONTO, CANADA, AUGUST 24, 1940

Canada Has a Million Dollar Hospital in England



CANADIAN Military Hospital No. 5, built in the heart of an English peer's estate in the Home Counties, at a cost of one million dollars, has just been completed and handed over to the Canadian Military authorities.

The hospital has accommodation for 600 patients in its 15 wards, and occupies a 22-acre site, for which the English peer receives one shilling a year rental. With the exception of the administrative offices all the departments and wards are on the ground floor, and the furnishings are in Canadian maplewood. The kitchens, in addition to the latest equipment for cooking and heating, have storage room for a fortnight's supply of food. There is also storage room for 200 tons of ice and an ice-cream freezer of 300-pint capacity.

UPPER LEFT. Colonel L. L. T. Arthur, Commanding Officer of Canadian General Hospital No. 5, with Miss Jean Machray, the Matron of the Hospital. **RIGHT.** The front facade of the hospital, with its impressive entrance portico. **LOWER LEFT.** Some of the Nursing Sisters attached to the Hospital outside the lodge that has been set apart as a Sisters' Home. **LOWER RIGHT.** The dining room in the Sisters' Home, not far from the hospital proper.



EACH ward has a sun porch at the end and air-raid shelters are arranged between the wards. There are four operating theatres, two equipped with hydraulic operating tables brought from Canada; an X-ray department and a dental department; and a special laboratory.

The Canadian nursing sisters have their home in a Georgian house on the estate which was once the lodge, with comfortable lounges and dining rooms and a beautiful garden.

UPPER LEFT. Entrance to the air raid shelter which leads off by steel doors from the centre of each ward. The doors are wide enough to allow the patients' beds to be wheeled right in. **CENTRE.** One of the long wards. **RIGHT.** The patients' charts are kept in steel cabinets in the nurses' room adjoining the ward. **LOWER LEFT.** The Matron of the Hospital, Miss Jean Machray, with her Assistant Matron, Miss C. Lunn, and Canadian Nursing Sisters E. D. Gregory, N. C. Hall and H. Wilson. **LOWER RIGHT.** Part of the comfortable lounge in the Sisters' home.



MUSICAL EVENTS

Jean Dickenson's Lovely Voice

BY HECTOR CHARLESWORTH

FEW singers heard at the Promenade Symphony concerts have brought more delight to listeners than the petite and charming lyric soprano, Jean Dickenson. She was born (apparently since the last war) in Montreal; but because of her father's calling as a mining engineer she has been reared in various parts of the world. Most of us first heard of her when she made her debut at the Metropolitan last winter as *Philine* in "Mignon," and she has since become a radio celebrity.

There are those who dislike coloratura singing, but when a coloratura voice is absolutely fresh and pure, with the lusciousness and spontaneity of bird-song, it defies criticism. Miss Dickenson's voice has these characteristics, backed by a charming and animated personality. The girlish

abandon and ease with which she renders the most difficult feats of fioritura, as in the famous "Shadow Song" from Meyerbeer's "Dinorah," are ravishing. The voice is beautifully trained and controlled, and what music critics of a century ago called "shakes" are marvellous. Her rendering of Bishop's "Lo, Hear the Gentle Lark" was as beautiful as I ever listened to; perfect in tonal ecstasy and execution. Both these arias demand flute obligato, and Harry Bradfield distinguished himself by his co-operation.

The orchestral section was exceptionally exacting and lengthy, but Reginald Stewart was in brisk authoritative form and the orchestra played with sustained vitality and noble volume. Two great historic overtures of the early romantic

period, Mendelssohn's "Midsummer Night's Dream" and Weber's "Euryanthe," were rendered with spontaneous fervor and beauty of nuancing. There were two novelties, one an Allegro for Strings by W. F. Haehnel, a Canadian composer born in Waterloo, Ont. It is sound, rhythmical, vigorous music that speaks much for Mr. Haehnel's future. The other was a rich and effective arrangement by Sir Hamilton Harty of an Introduction and Rigaudon by Handel. There was exhilarating swing in the closing passages. Ernest Rappee's arrangement of Kreisler's familiar "Tambourin Chinois" was rich and scintillant; and the first violins, especially, distinguished themselves in the Kreislerian ornaments. Brahms' Third Symphony, emotional in character and massive in structure, was rather



JAMES MELTON, celebrated opera, concert and radio tenor, who appears as guest soloist at the Promenade Symphony Concert in Varsity Arena next Thursday night. This is Mr. Melton's third consecutive engagement.

a heavy order on a hot night, after so much else; but it was rendered by Mr. Stewart with fervor and nobility of expression.

It is a long time since many of us

have heard of the beautiful English prima donna, Maggie Teyte, who in days gone by made several appearances in Canada both as concert singer and in opera. Her *Marguerite* in "Faust" and her *Mimi* in "Bohème" when she was associated with such artists as the tenor Riccardo Martin and the basso Mardones, in the old Boston Opera Company, are beautiful memories. Not long since she made her re-appearance on the platform in London singing the role of *Penelope* in a concert performance of selections from "The Return of Ulysses," a new work on which a composer named Inglis Gundry has been busy for some years. It would appear that she gave life to a not very stimulating program. She was born at Wolverhampton in 1889 and at the age of 15 became a pupil of Jean de Reszke. At the age of 19 she made a memorable appearance at the Opera Comique, Paris, as Debussy's *Mélisande*, and created the title role in the first Paris presentation of Wolf-Ferrari's melodious little work, "The Secret of Suzanne." She was also renowned in Mozart operas, and was a great favorite in America from 1911 to 1915. When still quite young she became a French citizen through her marriage to Dr. Eugene

Plumon of the French Court of Appeals, but of late years she has been teaching at the Royal College of Music, London.

All Johann Strauss's manuscripts still remaining in Vienna, and possessions owned by his descendants, have been confiscated by the Nazi regime. They have not, however, been destroyed, but have been given to the city of Vienna.

The widely known pianist Viggo Kihl was heard on August 19 in the C.B.C. "Recital Series," devoted to master-works of the piano. He played the Chopin Sonata in B flat minor which contains the immortal Funeral March. Mr. Kihl has always been a profound student of Chopin, and his interpretations are distinguished and individual.

Frederick Newnham, the eminent baritone, now one of the leading chormasters of Montreal, is being heard on the air in song recitals. He first became a network personality when resident in Halifax in 1933, and was later on the staff of the University of Western Ontario at London. Many will recall him as soloist in William Walton's "Belshazzar's Feast" with the Mendelssohn Choir a few years ago. Mr. Newnham is a native of Scotland, and a graduate of the Royal Academy of Music, London. Last year while on a visit home he was appointed principal baritone and chorus master of the Carl Rosa Opera Company, but the outbreak of war cancelled his contract. However the historic Church of St. Paul and St. Andrew, Montreal, at once secured his services.

A Bach Ballet

At Sadler's Wells Theatre, London, conducted in association with the Old Vic Theatre, ballet is being developed along fresh and decidedly interesting lines by the brilliant conductor Constant Lambert. Some time he conceived the idea of a ballet based on the music of Liszt's "Dante" Sonata, which Mr. Lambert turned into a Concerto by composing an orchestral score. With picturesque choreography it proved picturesque and interesting. A more recent experiment has been "The Wise Virgins" with a scenario of nine episodes developed from the scriptural parable. The orchestral score is based on melodies by Bach, mainly chosen from the vocal cantatas, and orchestrated by the brilliant composer William Walton. The whole production seems to have been in every sense delectable, and Walton came in for especial praise.

In connection with the centenary of the death of the great violinist, Paganini, which occurred on May 27, 1840, and was memorialized in Italy, it has come to light that he has descendants living at Villa Galone, a property near Milan, which he acquired some years before his death. There are preserved certain compositions of his which have never been published. In 1908 the Italian Government sent a Commission to examine them, which discovered three concertos, and seven less important works, in addition to a number of worthless and unfinished pieces. Though the commissioners regarded the concertos as commendable, they were not deemed sufficiently important to justify publication. Though because of his unequalled virtuosity, credulous persons believed him to be in league with the devil, and a man of mystery, modern investigations show that personally Paganini was what is known in Europe as "a typical bourgeois" in private life: attached to his relatives, extremely fond of his own son, shrewd in business dealings and generous in his attitude to other musicians.

A recent newcomer to Toronto is the Polish violinist Mischa Poznanski, who has joined the staff of the Ham-bourg Conservatory. Born in Lodz, he was educated at the Warsaw Conservatory, and as a boy he gave concerts in Egypt and Syria. On coming to America he obtained a scholarship at the New York Conservatory of Musical Art, and was gold medalist in a subsequent competition. At a recent broadcast recital he played a Caprice of his own composition.

The eminent French composer, Gabriel Fauré, was honored in Dr. J. J. Gagnier's most recent broadcast in "Composers' Series." The conductor revived one of Fauré's most brilliant and characteristic works, the Suite "Masques and Bergamasques," which introduces Harlequin and Columbine against a Watteau-like background. It employs a chorus and soloists as well as orchestra. The lovely songs of Fauré figure on many recital programs, and his chamber music is also sometimes heard. A recently published book by Vladimir Jankelvitich, "Gabriel Fauré and his Melodies" shows the important part he played in the evolution of modern French music, and his influence over composers like Debussy and Ravel.

The season of the Winnipeg Summer Symphony Orchestra under Geoffrey Waddington has been brought to a close. Organized on the same basis as the Toronto Proms, these concerts have made a most important contribution to musical life, formerly quiescent at this time of year. Mr. Waddington has built up a very able and responsive organization, capable of doing the most difficult works in the symphonic repertoire, as for example the Tchaikowsky Fifth Symphony, with which the season closed.

The brilliant young Canadian tenor, Joseph Victor Laderoute, who has been frequently heard on the Canadian network this summer, is now singing on Allen Melver's program "Musical Rendezvous."

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Canada, Perennial Juvenile

BY ANDREW J. ELLIOTT

CANADIANS IN AND OUT OF WORK. A Survey of Economic Classes and their Relation to the Labor Market. By Leonard C. Marsh. McGill Social Research Series.

WE LIKE to think of ourselves as a young nation, vast, rich, self-reliant and envied.

"Daughter am I in my Mother's House

But Mistress in my own."

That's us. The perennial juvenile among the nations. Too bad that even our best friends won't tell us that it's high time we grew up and began to act our age.

Mr. Marsh has attempted to point out what our policy of standing with reluctant feet where the brook and river meet is costing us. So, if you are one of the people who would like to keep on believing that we are the most fortunate of nations (except, of course, for very minor problems resulting from under population) put your head back in the sand again. This book is not your meat.

There are a lot of facts in Mr. Marsh's book, all of them well-substantiated; all of them unpleasant; and, unfortunately, all of them the kind of facts that have a tendency to grow more and more unpleasant the longer they are ignored. A lot of little things that we've known all along, but have been too indolent to bother much about, take on new shapes as Mr. Marsh presents the nation's social problems in their proper relation to each other.

For instance: we're a rich country. Sure we are. About one in every thousand of us makes over ten thousand a year. In fact, six hundred and fourteen of us paid income tax on incomes in excess of \$50,000 in 1932. But the average annual income of a married man in Canada is \$927.00. Incidentally, it costs a minimum of \$1040 a year for a family to exist here. We bridge the gap by having our wives and children work, and by accepting charity of one form or another.

We're a vast and sparsely settled country. We are consequently beset with problems unknown to more thickly populated nations. Perhaps you've heard that remark before. Well, only thirty per cent of us live in the West, and a mere ten per cent of us live in the Maritimes. (We only think there are more of them because they are so vocal.) The remaining sixty per cent of us live in the Central Provinces, with the major portion concentrated in the wedge bounded by Lakes Huron, Erie and Ontario. The major portion of our problems of wealth, squalor, unemployment and statesmanship are concentrated there.

"Hit 'Em Where They Ain't"

BY MARY LOWREY ROSS

MY HEY-DAY, OR THE CRACKUP OF THE INTERNATIONAL SET. By Princess Tulip Murphy, as told to Virginia Faulkner. Collins. \$2.25.

"MY HEY-DAY, or The Crackup of the International Set," sounds a little as though it might have been written under completely uncensored circumstances by Groucho Marx in collaboration with S. Perelman. It relates the strange life of Princess Tulip Murphy as told to Virginia Faulkner, and it is filled with every wickedness, wisecrack, cock-eyed reference and exploding innuendo that the Princess can lay hands on.

"At last the pace was telling and the International Set was cracking up," the Princess writes in her introduction. "I alone had been spared. . . . If the pace was telling, so was I."

So the Princess tells all. About her girlhood with her grandmother—"The first white woman to be called 'Madame' west of Rock Island, Illinois," about her trip to the Soviet where she arrived "in a sealed freight-car wedged in between a tractor and a youth movement"; about her visit to Hollywood, "a city laid out in the shape of a dollar sign and divided into quarters, nickels and dimes"; about how she discovered forbidden Tibet, the Garden of Eden, and The World of Tomorrow; about kai-kai hunting in India—"the kai-kai is prized for its iridescent plumage and even more for its complicated anatomy—It has two beaks, each apparently for the same purpose and innumerable digestive tracts. . . . Also many of the birds have pouches in their wings which in some cases contain wallets, handkerchiefs, calling cards and ticket stubs."

She also describes relentlessly her remarkable friendships with Stalin ("Ole Red Joe"), with Cherub Letchwright, "known to Mayfair as 'The Bedbud,'" and with Peter Frenzy Fripp—"Old Buster Fripp was the inventor of the lunch hour." Concerning her own romantic runaway marriage with Prince Murphy she merely recalls that it was "six miles over the most difficult terrain before I caught up with Prince Murphy at the water-jump."

In general the Princess's literary method seems to follow the working technique of her friend the painter Pablo Paolo Palli. "To save time he built a small turntable on which

too. This country offers opportunity for all. Sure it does. Canadian children all. Sure it does. Canadian children leave school at twelve to fourteen years of age to take advantage of those opportunities to earn their bread and butter. And at that, every Canadian child can expect to spend two years in non-productive idleness before he reaches twenty. Canadian children don't leave school at such a tender age because they don't appreciate the value of education. Far from it; the fact that business colleges, correspondence courses and trade schools do a lucrative business here proves how anxious they are to better themselves by further study. It proves even more conclusively how soundly our pedagogues sleep in their ivory towers, serenely impervious to the educational demands of twentieth century life. Meanwhile, we import our managers, financiers, technicians, clerks and skilled workers, instead of training our own children.

The country still suffers from a shortage of housing, but most of our artisan class rotted on Relief in our slums during the depression. Forty per cent of us are ignorant, untrained, manual laborers, lucky to get a job, and with no hope of any opportunity ever to be anything better. There are a lot more very pertinent facts in the book. Let me recommend it to you.

Mr. Marsh believes that a statesman-like approach to the nation's problems would be the first step toward solving them. He advocates more serious research on the part of the government, followed, of course, by action. History, you know, shows that a very thin line distinguishes *laissez faire* from *après moi le déluge*. Measures to improve the environment of manual laborers will do more to extend the proportion of children with ability than attempts to increase the birthrate among professional classes can accomplish. By the same token, subsidies that would permit more children with ability to stay longer in school would bring richer returns, he thinks, than our present state-endowed university and post-graduate scholarships ever will. He also warns that, unless the efficiency of the Employment Service of Canada (which was instituted, you may remember, to re-establish soldiers after the last war) is jacked up a long, long way, our latest statesmanlike project of Unemployment Insurance is due for a flop, even before the bloom of novelty has worn off it.

Mr. Marsh has done a masterful job of telling us the facts of life, Canadian life. The question is, are we mature enough, nationally, to profit from the dissemination of such knowledge?

he stands, and as it revolves at the required speed he slaps paint on each canvas in the circuit. . . . It's a confusing approach, she admits, "but Pali says he does his best work when confused. . . ."

So does the Princess. She slaps the paint on each portrait as it approaches on the eccentric wheel of her memoirs and the results are wonderful and awful. If there's any impropriety she happens to miss it's because, fast worker as she is, even she can't work fast enough to get it all down.

If you like the wild, free-association, hit-'em-where-they-ain't type of fantasy you'll want to take "My Hey-Day" all in one gulp. Our advice is don't. If you do, you'll probably find yourself almost as unstrung before you come to the end as a member of the Princess Tulip's International Set.

Grant, The Man

BY L. A. MACKAY

A MAN NAMED GRANT, by Helen Todd. Thomas. Allen. \$4.50.

THE continent of Europe, and with it our own portion of North America is now facing on a grander scale a civil war to decide much the same question as almost a century ago faced the United States of America—whether a continent, and a civilization, can endure half slave and half free. The renewed interest of recent years in the great personalities and problems of the American civil war may testify to a partially conscious realization that essentially the same problem is being worked out in different terms. The life of Grant holds

Not Here Comes Spring

OH, not this year comes Spring
To the darkened lands,
Gutted with fire, laid waste
By ravaging hands.

Not this year, not here,
Comes the glad rebirth
Of mating blooms and wings
And pregnant earth.

Not here will fields be sweet
With Summer's breath:
Watered are they with blood,
Deep-sown with death!



THE PRESS ON THE JOB. Charles B. Pyper (right), special correspondent of the Toronto Telegram and a frequent contributor to Saturday Night, talking to Canadian soldiers "Somewhere in England".

a peculiar interest. He was no genius, either in military or in political matters; yet of all the major figures of that war he was most intimately concerned not only with the conflict itself, but with the problems of reconstruction that followed.

Miss Todd's title is well chosen, for the book is a study not of General Grant, nor of President Grant, but of the loyal, stubborn, innocent man who by a strange combination of native qualities and unexpected, even improbable chances was raised to these positions. When the war broke out, Grant was thirty-nine years old. He had held a regular commission in the Mexican War, but inability to carry his liquor, rather than any exceptional soldierly qualities, had caused him to leave the service somewhat under a cloud, and for seven years he had drifted from failure to failure in civil life. Dearth of experienced officers brought him the command of a raw Illinois regiment sadly in need of discipline. Success in this task brought promotion, and a series of minor operations, directed by the singleness of vision and carried out with the inflexible resolution that were his chief military qualities, led through the capture of Vicksburg, to complete command of the Northern forces.

The final victory left him with a reputation of whose political possibilities he seemed at first inadequately aware. The death of Lincoln, and the discrediting of Johnson made Grant an ideal Presidential candidate for a party machine—well-intentioned, widely popular, and ignorant as a babe of either the theory or the practice of statecraft. He was hampered and hand-led by the very qualities that had contributed to his military success—his stubborn sense of loyalty, and his narrow concentration on one aspect of a problem. Against force he had known how to apply with brutal and even ruthless directness the superior force at his disposal; against subtlety he could bring no weapon to bear. His nature was generous and stubborn, his intentions were innocent and honorable, and there was probably no more glib man in the nation's capital. He sincerely desired the welfare of the defeated South, and delivered it over to rampant misrule and horrifying disorder; he was elected as a man outside politics, and his administrations have become a synonym for corruption.

Such is the portrait Miss Todd draws, a consistent, sympathetic and persuasive picture of a decent man misshapen by ambition and patriotism, under the pressure of events for which he was no match. It is a work of admirable biographic insight, lucid, well-proportioned, and not encumbered with irrelevant detail. It is also a grim reminder that in administering the affairs of a democracy no amount of personal integrity can make up for a lack of political intelligence.

Also Ranee

BY W. S. MILNE

A STAR FELL, by H. H. the Ranee of Sarawak. George J. McLeod. \$3.00.

PLEASE note that this book is by Her Highness, the Ranee of Sarawak. The title page says so. That makes it a bit harder to appraise on its merits than if it were written by Sylvia Brooke. Whether the Brooke dynasty has done Sarawak good or ill I know not, but it has unquestionably put Sarawak on the map. H. H. has the family faculty for getting into print, but as a novelist she is not much more successful than the member of the family who once appeared in support of Charlie McCarthy was as an actress.

The theme of the book is interesting. Rama Chandra, a Tamil orphan, brought up by Christian missionaries, takes their words to heart, and resolves so to live that he may be worthy to become the grandfather

of a new Messiah. His wife dies in childbirth, and he christens the baby Mary, and brings the child up away from mission and bazaar, alone on the mountains, until she is of age to receive the visitation from on high. In spite of her cloistering, Mary does become a mother, and Rama Chandra is prepared to welcome and worship the child. Mary tries to tell him that the baby has an earthly father, but his obsession, developed to the point of madness, is too strong, and he dies in beatific ignorance of the baby's earthly origin.

Lady Brooke evidently does not think much of missionaries. Probably the feeling is mutual. At any rate, she gives a very imperfect and biased picture of missionary activity. She is at her best in writing of the native ways and legends, but too often she makes the natives talk like educated Europeans. There is much quotation from the Bible in the story, and it is always a pleasure to read the grand English of the King James version, even in quotation, but Her Highness's style suffers somewhat in comparison. There is a fleshy quality in much of the writing, but even there the Song of Solomon is probably richer. This is a pretentious piece of writing, dealing with a theme far beyond the capacity of the titled authoress, and I doubt whether any publisher would have bothered about it without the publicity value of the Sarawak legend to attract the curious. As Dr. Johnson once said about a woman preacher: "Sir, she is like a dog walking on its hind legs. It does not do it well; the wonder is that it does it at all."

Chic Chic

BY JAMES BENNETT

REHEARSAL, by Fredericka Faxon. Longmans, Green. \$2.75.

WHAT the title means, I haven't the least idea. She didn't say. I suppose there is no reason why a writer should not describe her heroine as *chic*. She may even do it more than once. Who cares? I maintain, however, that there are English words as good, and even though there were not, it is a word that can easily be abused. Furthermore, it has bargain-basement ready-to-wear associations which keep creeping in. Of one thing I am sure, when a writer uses the word as much as Miss Faxon uses it, it is being used far too much. I might also add that from the general tone of the novel I suspect she pronounces it *Chick*. This may be unjust. If not unjust, it is silly, because there are so many more serious things the matter with Miss Faxon's novel. It is one of the worst-written novels I have ever had to read. Its heroine is a spineless moron, a lackadaisical limpet, an anaemic nitwit. If you read the book, you will have to accompany her from her schooldays to her late forties. She is the child of poor but disagreeable parents. A friend of her mother's sends her to art school where she learns nothing. While there, she has a tepid love-affair with a youth even more frustrated and jelly-like than herself. After her parents' deaths, she keeps house for the gentleman who sent her so unavailingly to school. Then she becomes a dressmaker in a department store, where she learns about *chic*, and is rapidly promoted.

Then she gets married to a social superior in tweeds and an orange necktie. There was another character earlier in the story who had an orange necktie too, but I forget who he was. Her husband has an older sister who disapproves of the marriage and puts the Indian sign on our heroine on all occasions for upwards of twenty years. But she becomes friends with her sister-in-law on her deathbed, which spoils an otherwise perfect character. Our heroine, married, finds her husband rather spineless too. But in the background is Another Man, so fascinating that our heroine believes he must be the Devil himself. As a matter of fact, he is merely a Literary Lapse, sired by Byron on Ouida. This professional lady-killer falls madly in love with the lady of *chic*, and she knows it is wrong, but cannot help herself. After two years of *sub rosa* romance, they elope, and there is an accident, and our heroine is smashed up. However, she recovers, goes religious, becomes a model wife, and loses her good looks, though, presumably, not her *chic*.

The style of this novel is in keeping with the plot. Never have I seen a finer collection of *chichés*. In the dialogue passages, the characters talk like sentences from a handbook of

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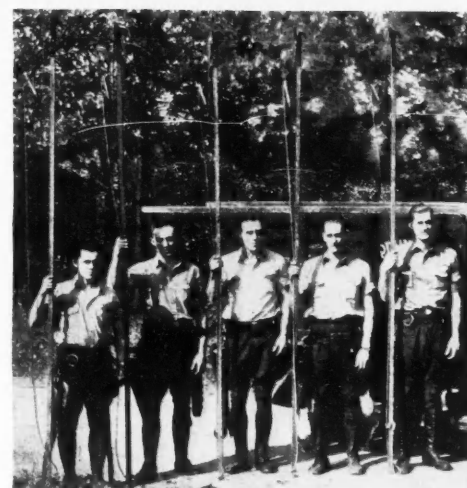
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conversational French. In case you should think I am exaggerating, take a look at this from page 267, in which our heroine is waltzing with the Other Man:

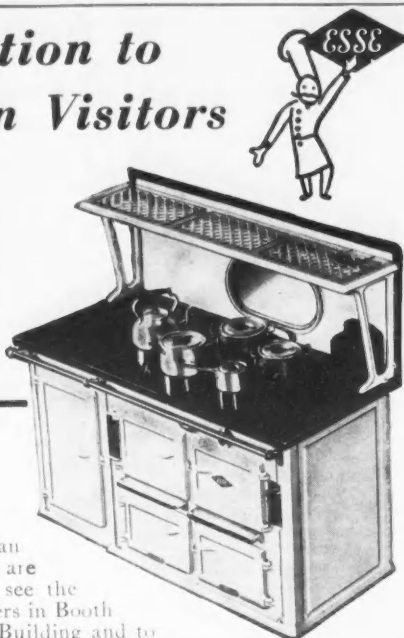
"Ah!" He guided her into the darkness; the music came to them from a distance. They slowly revolved there. They revolved; dizzy, drunken with one another, lost and defiant, deprived of all sense, and indifferent to every danger. Then, in the night, he took her in his arms, he pressed his mouth down upon hers, in such a kiss—in such

a kiss as only the damned can know! And in that kiss, their souls burned and were consumed. And in that kiss was everything—and nothing. Pity them! For in that desperate embrace was something pitiable, terrible, and most tragic."

This is not an isolated example of bad taste. The whole book is permeated by the same vulgarity of style, the same maudlin emotionalism. Nowhere is it more offensive than in the closing scenes, where the lady goes mystical.

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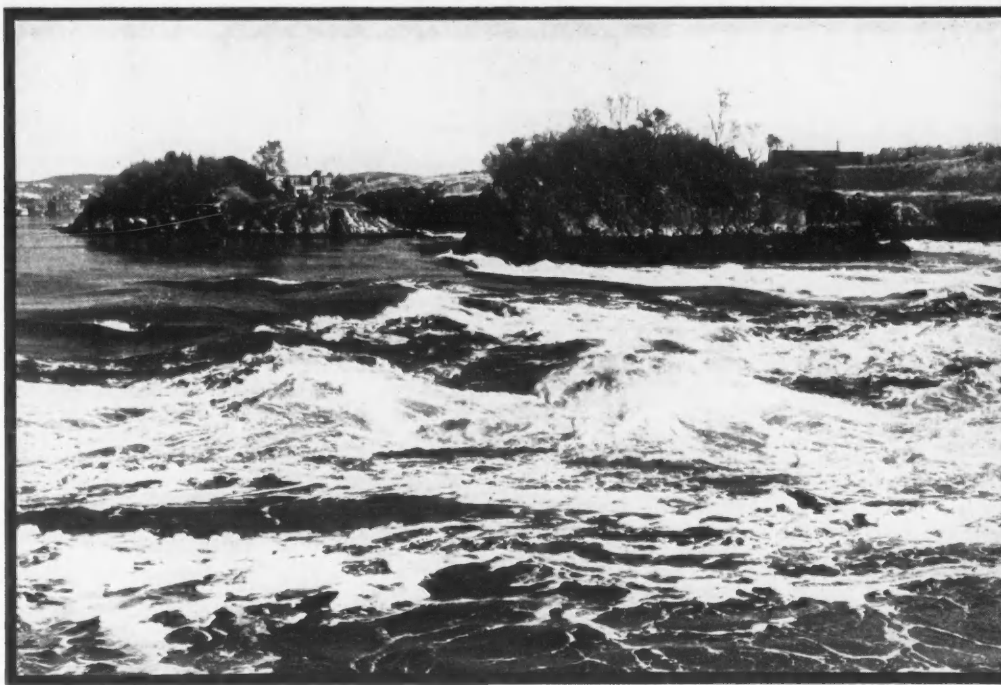
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THE REVERSING FALLS AT THE MOUTH OF THE SAINT JOHN RIVER, N.B.

—Canadian Pacific Railway.

PORTS OF CALL

New Brunswick: Playground Of A Continent

BY A. D. BOYS

WITHIN an area of 28,000 square miles, the province of New Brunswick contains the answer to practically every vacation problem. Though not large in comparison with its neighboring provinces to the west, New Brunswick supports the old saying that "good things come in little packages." Its acreage deficit is rec-

ompensed in countless other ways—and each one to the advantage of the vacationist.

From the quiet meadows and farmlands of the Saint John valley to the densely wooded basin of the Miramichi river, nature has left nothing undone toward making the province Canada's foremost playground. Its 600 miles of coastline are dotted with picturesque fishing villages and popular seaside resorts, where deep-sea fishing, bathing, golfing and other outdoor pastimes keep the vacationist happily occupied during the summer months.

New Brunswick has an ideal climate. While less fortunate climes are languishing in the heat of summer, New Brunswick is "air-conditioned" by cool breezes off the Atlantic. Although there is an abundance of warm sunshine, humidity is minimized and sultry nights are practically unknown. The brisk, cool fragrance of towering evergreens mingling with the salt tang of the sea gives the visitor a new lease on life. And to the ear accustomed to the screeching of brakes, blaring of auto horns, and general din of city traffic, nothing is more consoling than the gentle murmur of the sea.

Easy to Reach

New Brunswick is well served by rail lines, steamship routes and good highways. A fast train whisks the maritime-bound tourist from Montreal to Saint John where steamship connections are maintained for passengers en route to Digby and other Dominion Atlantic railway points on the Nova Scotia peninsula.

Rod and gun devotees will find the province made to order, its miles of rugged hinterland abounding in big game and its foam-flecked streams teeming with scrappy game fish. In summer the angler casting for fish may disturb a feeding deer, or the canoeist gliding quietly downstream may glimpse a mother moose with her long-legged calf drinking at the water's edge.

The province is one of the best hunting areas on the continent, and each year throngs of hunters head for the New Brunswick woods to match wits against the big game found there.

Deer and bear are still plentiful in many districts, while the forests abound with many varieties of smaller game. The numerous bays and headlands along the east coast are favorite feeding grounds for migratory birds—ducks, geese and brant flocking there in large numbers each fall. There are many moose, but hunting of them has been prohibited at present, for the province has decided to protect these great animals.

The fact that New Brunswick is one of the best watered countries of its size on the continent makes it a paradise for the fisherman. Its network of lakes, rivers and streams abound with salmon, trout, pickerel and many other scrappy denizens of the water-world. There are also opportunities for deep-sea fishing at numerous resorts along the coast.

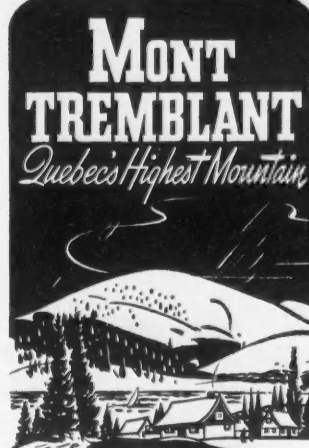
A Dip

The inland city dweller who shivers at the thought of a dip in the Atlantic will revise his opinions after giving the New Brunswick waters a fair trial. Long, sun-drenched stretches of sand offer hard-to-resist bathing facilities, particularly on the sheltered Fundy shores where the summer water temperature keeps on the safe side of the sixty mark.

No one who takes his golf game seriously would think of touring New Brunswick without including St. Andrews-by-the-Sea. For the sea-girt Algonquin course enjoys as high a reputation in this country as its famous Scottish namesake enjoys in the Old Country.

Many an international tourney is contested on its lovely fairways, at which times the guest register of the Algonquin Hotels reads like a "Who's Who in Golfing." Such picturesque names as "Westward Ho" and "Kidd's Treasure" are associated with the 18 holes of this sporty links where sea and fairways meet.

Nearby is land-locked Katy's Cove where youthful amphibians can have the time of their lives in complete safety. The water's always fine at St. Andrews-by-the-Sea. At low tide the exposed stretches of sand absorb the sun's heat, releasing it at high water for the bather's benefit. Good fishing is found at many places within 20 miles: bass, speckled trout and land-locked salmon. Yachting, salmon



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RESTRICTED CLIENTELE

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fishing in season and deep-sea fishing are additional pleasures.

Evenings may be spent dancing while picture shows regularly and gay parties provide many pleasant hours. Motorists can spend many days visiting places of interest in the surrounding country.

It is quite correct to abbreviate the "Saint" in St. Andrews but not so in Saint John, New Brunswick's largest city. The oldest incorporated town in British North America, Saint John has a wealth of attractions for the tourist. Not the least of these is its fine natural harbor, which handles huge volumes of shipping 365 days a year. In addition, it possesses one of the largest dry-docks in the world.

The Reversing Falls at the mouth of the Saint John River are a source of never-failing attraction to the visitor who witnesses this strange phenomenon of nature. Other attractions include the Martello Tower, Cobbet's Well, the Natural History Museum and numerous historic landmarks.

The tourist should also make a point of visiting the St. Croix region; St. Stephen at the international border, St. George, the granite town with its picturesque gorge—and up the Saint John River to Fredericton, the provincial capital and one of Canada's loveliest cities. Woodstock has a setting of rare charm, while St. Leonard and Edmundston with their forests and colorful countrysides have an irresistible appeal to the visitor.



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ST. ANDREWS-BY-THE-SEA, N.B., SEEN FROM A NEARBY MOUNTAIN TOP.

—Canadian Pacific Railway.

ABOUT FOOD

Love Apples -- Tomatoes to You

BY JANET MARCH

"IT'S quite simple, you just nip off all the suckers and then the tomatoes ripen faster and grow bigger," said the Almost Professional gardener. "Yes," said the Pure Amateur, "and how do you know a sucker when you see one?" This sounded a silly question as soon as it was asked but the lunch had been good and the sun was hot in the vegetable garden.

"Well that's a sucker," said the A.P. nipping off a tomato branch. "I see," said the P.A. brightly, "you take off all the ones without flowers or tomatoes on them."

"Oh no you don't!" said the A.P., and without further demonstration or explanation led the way to the cabages.

It was all mystifying and difficult, and the Amateur's garden was simply filled with green branching tomatoes upon whose leaves those dread striped caterpillars were already walking and nourishing themselves. The farmer next door when consulted said mildly "I've got an acre and no time to fool with them. I just leave them be." A strong desire to stroll through the tomatoes plucking and eating red ones warm with the sun goaded the amateur into action. "Ah the garden book!" she cried and turned hastily to August. "August the month of dog-days and lazy ways!.... The lure of easy chair and hammock overcomes the allure of the garden," said Mr. Cutting in his excellent book on Canadian gardening. Well that's true but what about suckers? Mr. Cutting evidently trained all his tomatoes to five foot stakes and single stalks back in June. None of this jungle foliage in a well ordered garden like his.

No one would throw any light on the sucker question so the Amateur took things into her hands and went out into the sun with the pruners, a pile of stakes and a ball of white string—good gardeners always use green or binder twine. As the full heat of an Ontario August sun fell on her she felt convinced that she was the sucker in the story. Three hours later a neat row of tomatoes was to be seen with their skirts rather unevenly hitched up with white loops of string. Twenty-five stout and horrible tomato caterpillars struggled in an empty soup can, there was a huge pile of pruned tomato branches, suckers or not one knew, and a very few very green tomatoes were so arranged that the sun would strike them sometimes. The day of wandering through and eating light-heartedly was far away. The Amateur sank gratefully into a bath and reached for the soap. It instantly turned bright green, so did the Amateur, hands, arms and legs up to where shorts begin. The bath water looked like a sea of green kalsomine. "Bought tomatoes are best" she said scrubbing hard to recover her natural color.

Whether you stake them, leave them sprawling, prune them or just buy them it's pretty good to be back in tomato time again.

Stuffed Tomatoes

Mexican cooks are extra good when they go to work on tomatoes, peppers and tamales. Here is a Mexican recipe.

- 6 tomatoes—medium size
- 4 potatoes
- 1 onion—large
- 1/2 cup of cheese chopped in smallish pieces
- 1 egg
- Pepper, salt, chopped parsley
- 2 tablespoons of lard

Choose tomatoes that aren't quite ripe and so are nice and firm. Peel them, take out the middles and put aside. Boil the potatoes and chop finely. Slice and then chop the onion and fry the potatoes and onion in the lard. When they are nearly cooked add the cheese and pepper, salt and parsley. Stuff the tomatoes with this mixture. Beat the yolk and white of the egg separately and then combine them by cutting the yolk into the white. Dip the tomatoes, stuffing and all into the egg. Take the centres of the tomatoes which were scooped out, add a little more chopped onion and

fry till the onion is cooked, season and pour the sauce into a baking pan. Sit the tomatoes in it and put in the oven until the tops brown.

If you want a good open sandwich for lunch try this one.

Ham and Tomato Sandwich

Take six slices of bread and toast them on one side only. Put sliced ham on the untoasted side and spread with English or French mustard according to your taste. Lay thin slices of cheese on top of the ham and again spread a little mustard, then put on slices of tomatoes and slide gently under the broiler till the cheese melts and the tomatoes are browned.

Baked Tomatoes

This is another Mexican dish so don't be surprised by the garlic and olive oil. Mexican cooking is very like Mediterranean in some ways.

- 6 medium sized firm tomatoes
- 1/4 cup of olive oil
- 1 clove of garlic minced
- 2 onions minced
- Grated cheese
- 2 tablespoons of chopped parsley
- 1/2 cup of breadcrumbs

Cut the tomatoes in halves and don't peel them or they won't hold together. Pour the required amount of olive oil into a baking dish and put the tomato halves in it. Mix the onions, garlic, parsley and a quarter cup of bread crumbs and sprinkle this around the tomatoes putting a little on top. Add salt and pepper and on the top put the rest of the crumbs and a layer of grated cheese. Bake for three quarters of an hour.

Tomato Soufflé

- 2 tablespoons of butter
- 2 tablespoons of flour
- 1/2 cup of rich milk
- 1 cup of tomatoes stewed down to a pulp
- 2/3 cup of grated cheese
- Salt, pepper
- 1/2 cup of macaroni
- 3 eggs.

Melt the butter and stir in the flour, add salt and pepper and the half cup of milk. Cook, stirring all the time until the sauce thickens, add the tomato pulp then add the cheese. Cook the macaroni separately in boiling salted water, drain and add to it pepper and salt and a little melted butter. Add to the tomato mixture. Beat the yolks and whites of the eggs separately and add the yolks first and then cut in the stiffly beaten whites. Turn into a buttered baking dish and cook till firm.

Tomato Fritters

Peel and cook about eight tomatoes and measure off two cups full. Add a few cloves, 2 tablespoons of sugar and 2 slices of onion and let the mixture simmer for about fifteen minutes. Then rub it through a sieve and season well. Melt four tablespoons of butter and stir in the same quantity of flour, then add the tomato slowly stirring all the time. Let this cook for a few minutes and add one well beaten egg. Pour into a buttered shallow tin and let cool. Then turn out on a board and cut in squares, fry in deep fat, drain and serve.

TRAVELERS

Miss Ailsa Mathewson, who has been the guest of Mrs. C. S. Riley, of Winnipeg, and later of Mrs. Norman Paterson, at the Lake of the Woods, has returned to Montreal.

Mrs. Lustgarten of Montreal, entertained the following guests at luncheon at the Algonquin Hotel, St. Andrews-by-the-Sea: Mrs. G. Blair Gordon, Mrs. C. T. Ballantyne, Mrs. Murray Vaughan, and Mrs. Louis Beaubien, all of Montreal, and Miss Katherine Christie, of Toronto.

Major-General F. J. Kernan, of Washington, D.C., is spending some time in Quebec and has taken apartments at The Claridge.



RECENT GUESTS AT DOMAINE D'ESTEREL, well-known Laurentian Mountain summer resort, were Mr. R. Winters of Queen's University, and Mrs. Winters.

DEAR MR. EDITOR

Radio News Monopoly

Editor SATURDAY NIGHT:

I HAVE observed with considerable interest the article by Steven Cartwright on "The Plan For a Radio News Monopoly" and the letter by Mr. Rupert Davies, president of the Canadian Press.

Knowing many of the publishers of the Canadian daily newspapers who are members of the Canadian Press, I am satisfied that these gentlemen are most sincere when they state publicly "that the Canadian Press has not now, nor does it desire, a monopoly of news gathering in Canada." What I cannot understand is their inability to see that the very plan they suggest must inevitably lead to a monopoly of radio news, either under the control of the Canadian Press, the Canadian Broadcasting Corporation or the Government of Canada.

How would such a monopoly come about through the one thing the Canadian Press is asking, namely the banning of this commercial sponsorship of the dissemination of news? To answer this question let us examine the existing situation with respect to newscasts over the broadcasting stations of Canada.

As your readers are no doubt aware and as Mr. Davies has stated, Canadian Press news is supplied to C.B.C. radio stations and networks on the condition that its dissemination is not to be commercially sponsored. This method is possible because the C.B.C. has funds from the radio licenses paid by radio users in Canada. Also because, apart from the \$20,000 referred to in Mr. Davies' letter, Canadian Press news is supplied without any additional cost.

On the other hand the private Canadian broadcasting stations constitute a majority of the radio stations in Canada. They also are providing a broadcasting service to their local radio audiences. They do not receive any money from license fees and must exist on the revenues received from advertisers who sponsor much of the service which they render to their audiences. They too provide news broadcasts for their audiences, but in order to provide the necessary revenues to do this they sell to advertisers the right to sponsor the dissemination of the news services which they purchase from news sources and control. At this point, to prevent any misunderstanding, may we make it perfectly clear that the advertiser in no way controls, or has any right to control, the content of the news over these stations. The private stations' news is the property of the source and of the stations themselves. The only right the advertiser has is to sponsor the dissemination of such news as the private station provides.

Since the Canadian Press has the right to use the news it collects and edits as its members see fit and since it is not willing to sell its service to the private stations for the commercial sponsorship of its dissemination, the private stations have had to secure news service from other news gathering sources whose policies permit the commercial sponsorship of the dissemination of the news they collect and edit.

Thus there are at present available for the public two main sources of radio news, one over C.B.C. stations and networks, unsponsored, and one over private stations, sponsored. People have a variety of wishes and desires, and it seems to me that the existing situation provides the radio public with a choice of listening to either source. If they don't like sponsored dissemination of the news they can listen to the Canadian Press news on C.B.C. stations and networks. If they do, at present the private stations are able to provide news services for them.

It can readily be seen that the ban-

ning of commercial sponsorship of the dissemination of news over private stations, apart from its effect on the commercial business of Canada, will place the private stations in the position of being unable to purchase news services. Consequently, unless the Canadian Press, the C.B.C. or the government are prepared to pay the private stations for the time involved and supply the news free, such stations cannot provide a news service to their audiences. If the Canadian Press or other organizations are prepared to meet this condition we then get a monopoly of the news.

Much has been said in criticism of news services other than the Canadian Press. On these matters we, as advertisers, do not feel qualified to express our opinion. All we ask of the radio stations with which we do business is that any news, the dissemination of which we sponsor, be authentic, reliable, timely and adequate, and that under war-time conditions it be approved by the board of censors. It seems to us that this is a sound and proper standard to require and we welcome any move by the radio stations or other groups to ensure that the sources of news meet this standard. Such standards are vital to the advertisers, since news either broadcast or written in which the audience has no confidence reflects badly upon the advertiser who sponsors its dissemination.

The question may be asked: "Why are we as advertisers so interested in sponsoring the dissemination of the news over radio stations?" The answer is simple. Numbers of our members have found this method an economical way of advertising over radio. It has developed goodwill for their companies and products. It has materially increased their sales results in the areas where it has been used.

Now we may be accused of having a purely selfish interest in this matter. We would point out, however, that to a large extent the government is dependent upon the increased commercial activity of Canada to help finance the war effort. Anything that helps increase the commercial activity of the country, provided it does not hamper the prosecution of the war, helps to increase commercial revenue which in turn, through taxes on turnover and profits, provides greater revenue for the government.

It has been stated that the move to ban commercial sponsorship of the dissemination of the news is in the interest of Canada's war effort. So far no one has been able to prove this assertion. If it can be proved that the commercial sponsorship of the dissemination of news is hurting Canada's war effort, then the advertisers, as loyal Canadian citizens, can have no further argument.

By all means let us have every effort made to insure that the news broadcast over radio stations is authentic, reliable, timely and adequate. At the same time, let commercial sponsorship of its dissemination continue to help keep the wheels of commerce turning as rapidly as possible to provide the greatest possible revenue towards financing the war effort.

By and large, I am satisfied that the manufacturers and advertisers of Canada are just as honorable and just as loyal as I know the publishers of Canada's daily newspapers to be.

GLEN BANNERMAN
President, Association of
Canadian Advertisers Inc.
Toronto.

Mr. C. C. Taylor, Agriculture Attache at the United States Legation, and Mrs. Taylor have returned to Ottawa after a trip through the Maritime Provinces.

COFFEE TO SUIT, THE MOST EXACTING TASTE AND BEAUTY TO BE PROUD OF . . that's what you'll enjoy with this attractive "WEAR-EVER" Coffee Maker!

It's shaped for practical service and fashioned, in the modern trend, to make an attractive addition to your kitchen ware. The thick, hard sheet aluminum gives quicker, economical heating and extra-lasting service. It's light for comfortable handling and easy to keep healthily clean. That's why a "Wear-Ever" Coffee Maker is so very desirable, and why "Wear-Ever" is the name to remember when choosing cooking utensils.

"Wear-Ever" Aluminum Cooking Utensils, equipped with attractive black fittings, harmonize with any kitchen color scheme.

"Wear-Ever" Aluminum Cooking Utensils

THIS HAS THE VITAL FOOD VALUES THAT MY FAMILY NEEDS

In two Nabisco Shredded Wheat with milk and fruit, you get, in one bowlful, eight of the vital food values everybody needs—three Vitamins (A, B, and C), Iron, Calcium, Phosphorus, Carbohydrates and Proteins. Leading health authorities agree that "whole grain cereals" are an essential "protective" food. Nabisco Shredded Wheat is 100% pure whole wheat with all the rich, inner flavor of Nature's finest cereal grain. Serve this nourishing, low cost, morning meal to your family regularly.

THE CANADIAN SHREDDED WHEAT COMPANY, LTD.
Niagara Falls, Canada



STREET SCENE in St. Andrews, N.B. It is quite correct to abbreviate the "Saint" in St. Andrews, but an error to do so in Saint John, the largest city in New Brunswick and the oldest incorporated town in British North America.

—Canadian Pacific Railway.

MARION
HAMBLY

NEW ADDRESS

26 Grenville St. Ra. 8855

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ST. CATHARINES, ONTARIO

Canadian Residential School for Boys—Founded 1889

A large number of valuable Entrance Scholarships, Bursaries and Leonard Awards are available every year in both Upper and Lower Schools.

Courses leading to Pass and Honour Matriculation, and R.M.C.
A special course for boys entering business life.

Small classes ensure individual attention.

LOWER SCHOOL for boys 8 to 14 UPPER SCHOOL for boys 14 to 18
Beautiful Memorial Chapel.New gymnasium, swimming pool, squash courts, tennis courts,
covered rink and spacious grounds offer unusual
facilities for splendid physical development.

SCHOOL RE-OPENS TUESDAY, SEPTEMBER 10th.

A prospectus and full information sent on request.

H. C. GRIFFITH, M.A., LL.D., Headmaster

Ashbury College

ROCKCLIFFE PARK Founded 1891 NEAR OTTAWA

A boarding and day school for boys. Fireproof buildings—
University Graduate Masters—
Ample varied diet.
Large playing grounds for
organized sports. Close personal
supervision over the physical and
intellectual well-being of the boys.
Boys received from eight years
upwards and prepared for Uni-
versity, R.M.C., Royal Navy and
business life.

Next term commences Sept. 10th

For prospectus and information regarding scholarships, Leonard Foundation awards, apply to
N. M. ARCHDALE, M.A., Headmaster

THE MARGARET EATON SCHOOL

FLORENCE A. SOMERS, M.A., Director

Normal Course in Physical Education

AUTUMN TERM BEGINS SEPTEMBER 4th

For further information, ADDRESS THE SECRETARY, 415 YONGE ST., TORONTO

Appleby
CollegeCHARACTER building is as essential to success
as academic training. At Appleby College,
beautifully located on Lake Ontario, the im-
portance of this is recognized. Your boy at Appleby
College finds himself in an environment happily
conducive to both—the restricted membership—
the friendly individual supervision by carefully
selected teachers. Tuition leads to entrance to
Canadian universities and Royal Military College.
Next term begins September. For further in-
formation and school prospectus please write.

REV. J. A. M. BELL, Headmaster

OAKVILLE, ONTARIO



Hattfield Hall School

COBBOURG

A Church Boarding School for Girls

Re-Opens Wednesday, September 11th

Miss W. M. Wilson, B.A. Hons. Principals Miss M. W. Ellis, B.Sc.
(London, Eng.) (London, Eng.)RESIDENTIAL
AND DAY SCHOOL
FOR GIRLSAffiliated with McMaster
UniversityFor Calendar apply to the
Principal,
Miss Marjorie Trotter, B.A.,
88 Bloor St. E.
TorontoEstablished 1888
Moulton College
TORONTOPrimary to Honour
Matriculation
Fine Arts, Sports,
Hand CraftsFully-equipped Nursery
School and Primary Grades
Kingway District
(Co-educational)
School re-opens Sept. 12th.

62RR



Ontario Ladies' College

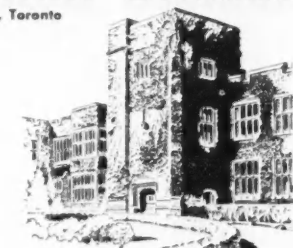
Trafalgar Castle, Whitby, Ont. - A Residential School for Girls

One hundred acres of grounds. Courses, Speech and Drama-
tics. Swimming Pool, Gymna-
sium, Music, Art, Inter-
tainment, Two-Manual Pipe Organ,
for Decoration, Handicrafts, Physical Education and Riding
Household Science, Secretarial with Resident Mistresses.

For Prospectus write to Principal Rev. C. R. Carscadden, M.A., D.D.

The Bishop Strachan School

College Heights, Toronto

A Church of England
Residential and
Day School for GirlsKindergarten to Junior and
Senior Matriculation—House-
hold Science, Art, Music, Physical
Education with indoor and out-
door sports.Principal: Miss E. M. Lowe, B.A.
Vice-Principal: Miss Rosseter,
Cheltenham and Froebel Institute.
For Calendar apply to Bursar.

Established over 70 Years

New Boarders—Tuesday, Sept. 10th.
New Day Girls—Wednesday, Sept. 11th.
School Opens—Thursday, Sept. 12th.

Alma College

FOUNDED 1877
ST. THOMAS, ONTARIODelightful location; Extensive grounds; well appointed
buildings with Automatic Sprinkler Protection; Gym-
nasium; Swimming Pool; Tennis; Riding; Golf;
Skating. Courses include High School to Junior and
Senior Matriculation, Public School, Music, Secre-
tarial, Home Economics, Art, Dramatics, Interior
Decoration and Handicrafts.

Write for prospectus. Principal: Rev. P. S. Dobson, M.A., D.D.

A RESIDENTIAL SCHOOL FOR GIRLS

WORLD of WOMEN

A Nation Sings

BY BERNICE COFFEY

FOR A long time it seemed that the cheerfully nostalgic "Tipperary" of the last war would have to serve as the theme song of the present one. Since Munich song writers both amateur and professional (and you would be surprised how many there are of both) have been up to their ears in sharps, flats and clefs composing war songs which they hoped would hit the musical jackpot.

Then everyone began to sing "There'll Always Be An England", a swaggering, jaunty, confident song that rambles around in the mind with the frequency of a resolute banshee. Certain symptoms of A Hit.

The song was written by two young Englishmen, Hughie Charles and Ross Parker who is now in uniform. It was composed in March, 1939, and published in London the following month. For a time it was very difficult to get the song featured over the radio sufficiently to establish it, but it gradually caught the ear of the public.

In Canada the song is published by Gordon Thompson and Company who are feeling a bit set up about it all. In common with other music publishers, Mr. Thompson was hopefully looking about for the war song when one day he was trying over some music that had been sent to him by English publishers. Along with one song that was highly recommended were several others—among them "There'll Always Be An England," which had yet to become popular in England. He liked it enough to lay out some cash for the Canadian rights—a fact that now gives him a kindred feeling for Doctor Daffoe.

Later when orders began to arrive from the United States of all places, Mr. Thompson acquired the American rights and determined to do so in style. Contracts giving the Canadian company the United States rights were signed in the Canadian Building at the World's Fair and were witnessed by Mr. D. M. Sinclair, manager of the Canadian Pacific exhibit. At first he attempted to have the ceremony take place at the British Building but found himself becoming so involved with the entire British Government, that, in the words of Mr. Thompson, "we just walked over to the Canadian Building and had the contract signed." It was about the time that a bomb was planted in the British Pavilion but Mr. Thompson fails to see any connection between the two events.

That the song has international appeal is illustrated rather piquantly by the fact that it has become a hit among the inmates of a German prisoners' camp situated on a waterway "somewhere in Canada." When passing the camp the orchestra of a pleasure steamer that plies the nearby waters always plays fortissimo "God Save The King," "Rule Britannia," and "There'll A-B-A-E."

And now the story is going around that the Nazis tucked away in the care of Jack Canuck and blissfully unaware of the last song's title, have taken to humming and playing the tune around the camp.

Greetings

An amusing incident which took place in connection with the arrival in Bermuda of the Duke and Duchess of Windsor, is described in a letter received recently from Eva Ruperta Bryan, a resident of Bermuda.

After the Duke and Duchess had departed for Government House, the "Excalibur" came in to the quayside where the visitors' luggage was put

ashore. Among their numerous belongings were three cairn terriers obviously delighted to find themselves ashore.

Two were put in a carriage by a member of the Duke's entourage who sat between them with a hand on the neck of each dog. And as they drove through the crowd which remained the dogs nodded a dignified greeting to the onlookers—impelled by the hand of the waggish aide seated between them.

Orchids to Bermuda

By the way, when Canadians again become free to travel where and when they choose they may discover that Bermuda is famous for orchids as well as lilies.

An American resident, Mr. Robertson Ward, in need of a hobby decided two years ago that he would try the cultivation of orchids in Bermuda. He first visited all of the Central American countries where orchids are at their exotic best. It is commonly thought that orchids thrive at their handsomest in humid tropical country—or on mink and sable coats—but Mr. Ward found them growing on old fence posts exposed to winds in semi-sunny locations, and on the branches of wind-swept oaks where the temperature varied from ninety degrees to forty-five.

Bermuda has a climate where the



MISS MARCELLE PARADIS, daughter of the late Senator Philippe Paradis and of Mrs. Paradis, of Quebec. Her engagement to Lieutenant Grant Paul of the Hastings and Prince Edward Regiment, was announced recently. Lieutenant Paul is a resident of Toronto and Napanee, Ont.

temperature varies forty degrees and there is no rain for three months at a time. Most orchids are better able to withstand the lack of water than any other plant with the exception of cactus. Plenty of air seems the chief demand of orchid culture.

So Mr. Ward returned to his Bermuda home and started in earnest the cultivation of orchids. The result is that after two years of cultivation he has a couple of hundred of varieties of this supposed tropical bloom and his gardens fairly sing with color. Mr. Ward is selling his flowers this year, and the proceeds are given to the war fund.



A RECENT PHOTOGRAPH of H.R.H. Princess Elizabeth, who is seen at her studies. Her resemblance to the King and to her grandmother, Queen Mary, becomes more marked as time passes. The Princess' studies are under the direction of the British Government.

Personal Trademarks

BY ISABEL MORGAN

EVERY time the Queen makes a public appearance she wears a lapel ornament which seems to be her favorite ever since her return from Canada. It is a maple leaf paved with diamonds. Watch for it in the next news photographs of the Queen as she reviews troops or visits an air raid shelter "somewhere in England," and you are almost certain to discover it.

Many women, like the Queen, possess a pet piece of jewellery to which they cling loyally until it almost becomes a mark of distinction that is peculiarly their own.

If you own a number of jewels of sufficient importance to merit a safety

deposit box now is the time to take them down to your jeweller and see what he can do in the way of a new lapel pin—bold, arresting, highly decorative, one that is specially designed to suit your personality. It will look smashing smart on the lapel of a suit or fur coat, and equally attractive with a bridge frock or informal evening tulle. Diamonds, rubies, emeralds and pearls may all be used together in the orientally magnificent manner.

But a lapel ornament need not be worth what used to be known as "a king's ransom," to be both striking and original. Costume jewellery is just as effective. For instance one could choose from a spirited and handsome group of North American birds in flight. These are hand carved and painted with oils so that they are exact replicas of the birds they represent . . . the canvas back, North American eagle, blue bird, gull, and so on. Nothing could be a handsomer companion to tweeds.

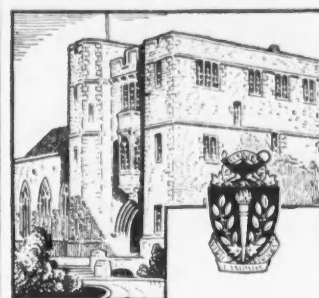
Then there are the British Emblem pins which are as decorative as they are patriotic. They are in the shape of a large bow-knot enamelled in red, white and blue, centered by a white and gold enamelled shield. The enamel is on a base of 18 karat gold plate. These pins are sponsored jointly by the British War Relief Society, Inc., and Bundles for Britain, Inc. Twenty-four per cent of the price paid for them is given directly to Allied War Relief.

Aura

Everyone has a natural fragrance, almost imperceptible to others, and quite unnoticeable to herself. But it is this natural scent, coupled with perfume, which gives you your personal fragrance. Since it is perfume which releases this personal aura, you should use the most intuitive and critical part of your brain in choosing it. Select it with introspection and the same disregard for price that you would show if you were buying personality over a counter. Feel a little psychic about your perfume; regard it as an intimate, personal quality, rather than a compound which merely reacts on the nose.

TRAVELERS

Mrs. T. G. Mathers has returned to Winnipeg after spending several weeks at Minaki Inn, Minaki, Ont.



HAVERGAL COLLEGE TORONTO

DAY AND BOARDING SCHOOL FOR GIRLS

From Kindergarten to Honour Matriculation; also Business, Household Science and other special subjects. Music, Art, Science, Gymnastics, Dancing. Excellent, well equipped buildings. Out-of-door games in beautiful playing grounds of over thirty-five acres. Modern Junior School.

For Prospectus and Information—
write THE PRINCIPAL—
MISS G. E. MILLARD

NEW SCHOOL TERM

New Boarders - - - Sept. 10
Returning Boarders - - Sept. 11
Day Girls - - - Sept. 12

Cantab Coaching College

Principal
L. S. N. HOARE, M.A., A.A.P.A.
Cambridge University

Matriculation Specialists

School Re-opens Sept. 10th
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St. Andrew's College

FOUNDED 1899

An exceptional boarding school
for boys

AURORA, ONT.

Book of Views on request

K. G. B. KETCHUM, B.A., HEADMASTER

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A Residential and Day School
for Girls

Junior and Honour Matriculation—
Kindergarten and Junior School—
Art—Music—Household Science—
Secretarial Course—Swimming
Pool—Skiing at School Farm.

School re-opens Sept. 11th

For illustrated calendar write the Principal
MISS EDITH M. READ, M.A.

OVENDEN

BARRIE, ONTARIO
SCHOOL FOR GIRLS

Resident Pupils Only

Preparation for the Universities, Music, Art,
Handicrafts, Dramatics, Riding (resident
Riding Instructors), Summer and Winter
Sports. Opportunity is given for the fullest
development of personality and individual
gifts. Coaching given, when necessary, as
part of the regular curriculum.

For Prospectus, apply to the Principals.



THE KNOX SCHOOL

A school of American ideals in a country
of American traditions. College preparatory
and accredited post graduate courses.
Medical secretarial, merchandising. Ex-
ceptional training in art, music and
drama. Picturesque country location on
Otago Lake. Year round sports program.
Ice carnival, horse shows. Catalog.

MRS. E. RUSSELL HOUGHTON, BOX 2, COOPERSBURG, N.Y.

Announcements

ENGAGEMENTS

Quebec, Aug. 6—The engagement is
announced of Marcelle, daughter of the
late Senator Philippe Paradis and of Mrs.
Paradis, Quebec, to Lieutenant Grant
Paul, Hastings and Prince Edward Regi-
ment, of Toronto and Napanee, Ont.

MARRIAGES

HYLAND - HUTCHESON. Quietly
on Monday, Aug. 12th, 1940, at the
Church of the Ascension, Port Perry, Ont.,
by the Rev. J. C. Clough, Berenice Ethel-
wyn, only daughter of Mr. and Mrs.
Hibbert Glencross Hutcheson, to Mr.
Harry Howden Hyland, son of the late
Mr. and Mrs. George Hyland.

War Suggestions

WE HOPE to announce next week the winner of our War Suggestions Competition, entries in which were closed on August 10. They are at present being looked over by our expert on inventions, H. Dyson Carter of Winnipeg; not that all the suggestions are in the nature of inventions, but the question of practicality arises in connection with almost all of them.

We have to admit that in our opinion the competition has failed to produce even one suggestion of such transcendent importance that the mere announcement of it could be relied on to compel Herr Hitler to open negotiations for an armistice. On the other hand we have received some forty or fifty suggestions which we consider well worthy of the attention of the appropriate authorities, as being likely to promote the effectiveness of Canada's war effort. These we shall print during the next two or three weeks. We have selected them from about five hundred, many of which were so vague, so general, so impractical or so unoriginal as to cause us to wonder why they were sent in. Such suggestions as a National Government, national lotteries, railway amalgamation, immediate and universal conscription, Prohibition, or the socialization of all wealth have been under discussion too long, and have too little chance of acceptance, to rank for a prize or even for honorable mention; and scores of competitors had nothing more original to offer.

A few of those which we shall print—but which will not win the prize—are notable chiefly for a certain whimsical charm, such as that which proposes that Mr. King, Sir Edward Beatty and Mr. Hungerford be locked up in a room like a jury with orders to produce a workable scheme of railway amalgamation before they are let out; or that large magnifying glasses be employed to reflect the glare of the sun on to the windshield of a dive bomber; or that all the forests in Germany be set on fire in order to destroy concealed military objectives.

Here, however, is an instalment of suggestions, most of them serious and valuable, which we think are worthy of the attention of our readers and of the people who have power to put them into effect:

Adelaide L. Sharpe, R.N., 6 Glen Road, Toronto—An appalling amount of food is thrown into the garbage cans in Canada which could be used to build up the tissues of our potential soldiers and civilians. Hotels, hospitals and restaurants are the chief offenders. My observation is that speed is considered more important than care and discrimination in preparing and apportioning meals.

James H. Hoffman, 315 Newman Street, Mansfield, Ohio—Many citizens of the United States who have both faith in and friendship for Canada and who have modest Canadian in-

vestments from which they receive income in United States funds would welcome an opportunity to aid in solving Canada's exchange problem. I believe a plan similar in form to that used by the Mutual Life Insurance Company in the disbursement of their dividends would be workable. A short time before such disbursement, the recipient should be sent a notice accompanied by a form on which he should indicate whether he desired to receive (1) all or part cash in United States funds; (2) an interest-bearing certificate of deposits issued by a private Canadian financial institution, to be selected by the investor from a restricted list; (3) securities of private Canadian corporations as designated by the investor, subject only to the normal brokerage charge for any such transaction. (Private corporations only are suggested in the second and third alternatives, because a government investment might come under the prohibitions of the United States Neutrality Act.)

Evelyn Garvin, Kenora, Ont.—I would like to see much more enthusiasm shown by the people when sons and brothers go off to war. Hitherto in most places the greatest secrecy has been maintained and the boys went off in grim silence. Wars are not won by reasoning but by the emotions of the people concerned, and we are missing a great opportunity in not utilizing all this pent-up feeling. Obviously when troops are going overseas their movements should be kept from enemy knowledge; but when they are merely going to training camps the farewells should be made as happy and appreciative as possible.

J. E. Ferguson, Kenora, Ont.—I suggest that the Dominion Government levy a new tax on all angling enthusiasts throughout the Dominion. It may be that anglers are already taxed in some provinces, and I know that if I enter another province than the one I live in I must buy a special fishing license; but I don't have to as long as I stay in home (Ontario) waters. Multiply me by the 2,000,000 other people in Canada who would rather pay a dollar any day than stop fishing and you have \$2,000,000, which will buy a lot of Bren guns, rifles, ammunition, etc.

H. G. Fester, 261A High Park Avenue, Toronto—The only way in which Hitler and Mussolini can be beaten is in the air. Let the Canadian Government call in representatives of every industry in Canada capable of producing airplanes or airplane parts. Give industry a free hand, unhampered by political considerations, to produce certain standard types of the best fighter and bomber models, on a mass production basis. Surely within a period of six months to a year it should be possible for Canadian industry to produce 300 war planes daily. In the interval the government could turn some of our vast open spaces into flying fields and concentrate upon the development of a tremendous air



RED FACE, a monkey visitor from China, will do her part in entertaining the visitors to Children's Zoo at the C.N.E.

force personnel. When production peak is reached, it should be possible, together with British production, to send fleets of bombers over Germany hourly, without let up, until Hitler and his cohorts cry "Enough."

H. Ingrey, D10043-111th Street, Edmonton, Alberta—We are sending out of this country approximately \$50,000,000 every year for something that Canada is permeated with, namely, coal. This is roughly about the amount that the Dominion Government is called upon to pay out for relief projects. If we could get the Ontario coal consumers to take one-fifth of their requirements in Canadian coal in the first year, it would mean an extra \$15,000,000 circulated in this country, giving work and wages to many. In the city of Lethbridge is a claim marking the first coal mine opened in the West. This coal was hauled 200 miles by oxen. Yet today we seem unable to haul it a mere 2,000 miles by modern steam engine on a heavy, well-laid railway track.

E. J. Dever, Simcoe, Ont.—For anti-aircraft defence at night I suggest that instead of a high explosive a large percentage of shell be filled with highly illuminating chemicals such as one seen in fireworks displays. These should be timed to explode at a lower level than the aircraft, in order to blind the bombers, because it is impossible to see through light into a dark area beyond it.

R. N. Lake, 943 Wilmer Street, Victoria, B.C.—I propose the creation of a mid-Atlantic safety zone where planes can stop, refuel and take off enroute to Britain. This might be a gigantic aircraft carrier, with auxiliary vessels, entirely surrounded by a mined area. I suggest also an ap-

prenticeship system, at minimum rates of remuneration, in vital war industries for junior and senior matriculation students. The knowledge they would gain will never be a loss to Canada. This might be operated all the year around, or during the vacation period.

Laura Evans Reid, Vegreville, Alberta—I suggest that as a Christmas box to aid Canada's war effort we one and all give 10c for every year we have lived in Canada. Surely it has been worth 10c a year to live in such a grand and glorious country. We have five months in which to save up for this, and the sacrifice would only be the giving up of a few superfluous gifts for relatives and friends.

R. S. Logan, 35 Aberdeen Avenue, Westmount, Que.—There are many old German guns, trophies from the last war, distributed about Canadian cities, which are poor ornaments for public places. They are good only as scrap metal, and should be melted down and shipped where most needed, possibly to find their way back as bombs to where the guns came from originally. If desired they could be replaced with other trophies after we have won the war.

Verne Lilley, 1 Cheritan Avenue, Toronto—Our soldiers should have seasonable and smart uniforms as our enemies have. They should be able to feel that they are as proud a looking force as anything the Hun can put on display. They should not have to lose their self-respect by hitching a lift from a motorist, but should be given free transportation on all rolling stock, a pass being all that should be necessary. Civilians should be obliged to give them accommodation in their cars on the highway.

ART AND ARTISTS

Art on the West Coast

BY GRAHAM McINNES

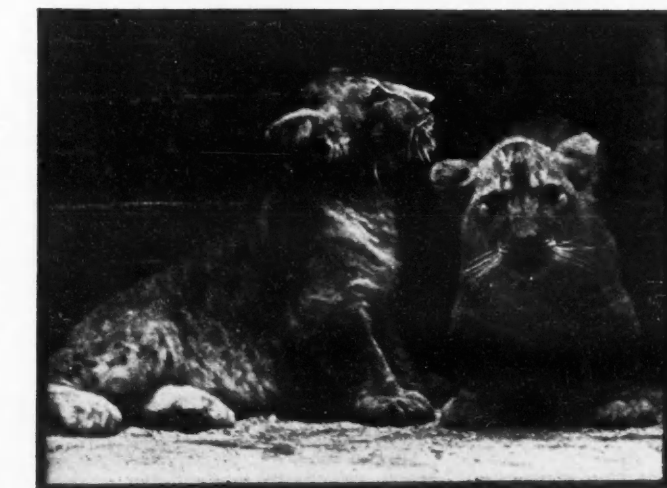
IF THE visitor to Vancouver is misled by the superficial calm of that incomparably lovely city into thinking that the war is remote, he is likely to be very soon disabused. The war is closer to the Pacific Coast than to any part of the Dominion west of Ottawa. Men in battle dress mingle with the crowds at English Bay; across Burrard Inlet shipbuilding proceeds apace; over on the Island, Esquimalt is a hive of activity, and the Strait of Juan de Fuca is patrolled night and day. Vancouver has its own efficient ARP organization; the old Hotel Vancouver has been turned into a recruiting centre, and outside it is a brightly painted booth where donations are received to buy airplanes.

In Vancouver, too, the war has had an unexpected effect upon art. Attendance at the Vancouver Art Gallery on Georgia Street has been as high as 7000 a month, and since September has averaged fifty to seventy per cent more than in 1939. The Gallery has a new friend in the person of Mayor J. Lyle Telford. Though the city contributes \$2500 a year toward the upkeep of the Gallery, Mr. Telford is the first mayor to attend meetings of the Gallery's board. Though this doesn't mean that private subscriptions are coming in any faster than they should be, Vancouver's mayor has set an example which other civic heads in like circumstances might well follow.

The Vancouver School of Art has just held its annual show, and Director Charles H. Scott can point with pride to one of the most progressive institutions of its kind in the Dominion. During the past ten years, the School has had to weather many a financial crisis, but has emerged a strong and efficient body

whose reputation its graduates have carried well beyond Vancouver's borders. The present exhibition covers every phase of free and applied artistic endeavor, from modeling, embroidery and block-printing to metal work, illumination and interior decorating. Especially good were the pottery, senior painting and commercial art sections.

Another exhibition, and an unusual one, has just been held in Victoria, and is on its way East to the National Gallery at Ottawa. It consists of animal paintings by 19-year-old Sis-Hu-Luk, from the Inkampee Indian Reserve in the Okanagan. This boy is the grandson of the chief who built a school on the Reserve at his



WHILE MAMA LION was out visiting, our photographer made the above call on her cubs. These are two of the animals to be exhibited at the C.N.E.

THE HAT'S THE THING

It may be one of those irresistibly young berets you'll wear 'way back of your young pompadour — it may be a very sophisticated brim cleverly manipulated — or you may go very high hat with a Persian-inspired turban — whichever you choose, you'll be quick to realize "The Hat's The Thing", that will make your costume this Fall — Third Floor.



Children's Zoo Photo Contest

1. Photographs submitted for this competition must have been taken within the Children's Zoo at the Canadian National Exhibition of 1940, Toronto. The Zoo will make special arrangements to enable photographer to get unusual shots, but entry into the cages will not be permitted. The use of photoflash bulbs will be permitted. Photographs need not be of animal subjects. Photographs must reach the office of SATURDAY NIGHT by 5 p.m. on Tuesday, September 17—ten days after the closing of the Exhibition.

2. The prints will be carefully and impartially judged by a jury composed of the staff photographer of SATURDAY NIGHT and two experts of international reputation chosen by the editor of SATURDAY NIGHT.

3. Prints may be made in any photographic medium from negatives of any size, but must not be colored either by hand or by photographic process. The original negatives must have been exposed by the entrant, but the developing and finishing may be the work of others. Prints of not more than 4 inches in one measurement and 6 inches in the other will be in the snapshot division and will be eligible only for the prizes in that division. Prints exceeding these measurements will be entered in the Salon division for the prizes in that division. Salon prints must not exceed 11 x 14 inches, and need not be mounted. Prints will not be returned unless accompanied by a fee of 25

cents to cover postage and handling charges.

4. Any number of prints may be submitted by any one entrant, but no entrant can win more than one prize in each division. A single return fee of 25 cents may be used for the return of not more than three prints if entered at the same time by the same competitor. Each print must be accompanied by a separate entry form, and the title of the print must be clearly lettered on the back of each entry.

5. The decision of the judges will be final, and will be rendered as soon as possible after the close of the period of entry. The submission of prints shall signify the acceptance of these rules, and shall in addition convey the right of reproduction. All prize-winning pictures, and any others selected by the judges or the editor, will be reproduced in SATURDAY NIGHT. All reasonable care will be exercised in the handling of prints for which the return fee has been paid, but no responsibility will be assumed by the Children's Zoo or by SATURDAY NIGHT for loss or damage.

SPECIAL NOTE: The attention of competitors is specially drawn to the fact that this contest is not restricted to animal pictures. The rules require only that the photographs be taken within the Children's Zoo of 1940. Human interest shots will be welcomed. The Zoo is open every Exhibition day from 10 a.m. to 9 p.m. The Exhibition opens August 23 and closes September 7.

Children's Zoo Photograph Competition

Photograph Editor, Saturday Night, 73 Richmond St. W., Toronto.

I herewith enter the accompanying print, bearing on the back the

title in Saturday Night's 1940 Children's Zoo Photograph Competition.

I declare that this print is made from a negative exposed by myself in the Children's Zoo during the 1940 Canadian National Exhibition at Toronto, and that I agree to abide by the rules of the Competition and the decision of the judges.

NAME

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TOWN AND PROVINCE

(If accompanied by 25c for return, check in right-hand corner. One return fee will cover three entries.)

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THE BACK PAGE

The Chinaberry Tree

BY MARY QUAYLE INNIS

TINY purple blossoms had fallen from the chinaberry tree, and Erie swept them off the sidewalk, aware of the watching eyes of neighbor women on their verandahs. Already Mrs. Seeley across the street had taken her seat for the day and was rocking, with her hands in her lap, following languidly the energetic motion of the broom.

"Mothers of families!" groaned Mrs. Scanlon. "This is the only walk on the whole street that ever gets swept." She took the broom from Erie and made several vigorous strokes. Her eyes looked coldly past Mrs. Seeley. "Holding her hands this time of the morning!"

When her mother went into the house, Erie sat down on the verandah step and drew a deep, comfortable breath. It was Saturday and Lottie might come over. Tomorrow her father would take her to see the river flowing brick red between islands clothed to their roots in dark magnolias starred with their creamy buds. He knew where to find a whole hillside turned blue with violets and stirring like a blue scarf in the wind.

They had come to the small southern town nearly a year ago because of her father's business and though her mother had hated it from the beginning, Erie had not dreamed that any place could be so wonderful.

She reached round to scratch the red lumps on the back of her neck. Her mother, who had just come to the door, asked anxiously,

"Did you put powder on your neck, Erie? They don't look like mosquito bites." She got the powder can and Erie felt the cool shower and the brisk rubbing of her mother's fingers. "Do you want to go to the store for me, Erie? I don't like to send you when it's so hot."

Erie paused a moment to hide the eagerness that flamed into her eyes. "Yes mother, I'll go."

"Here's three cents extra to get yourself an ice cream cake. Don't hurry."

There was no question what she would buy for herself. She chose sections of green and purple sugarcane stalk and began to chew the tough fibres, prickly and deliciously sweet.

"Oh Erie," her mother protested as she laid down her purchases, "I told you to get ice cream. That's horrible, messy stuff."

"I like it," Erie mumbled through a spiny mouthful.

"I'm sure it's dirty. You can do better when you finish."

IN THE hazy dining room, breathlessly cool, they had a luncheon of a chicken, eggs, milk and homemade bread with blackberry jam. When she came out again, Erie saw the Seeley children coming back from somewhere. Their mother, rocking and

holding her hands, nodded placidly to them as they straggled past her into the house. One by one they came out carrying cold boiled sweet potatoes and sat down on the front steps to peel and eat them. One of the girls dropped two potatoes into her mother's lap and Mrs. Seeley, without interrupting the rhythm of her rocking, began to eat one, peeling as she ate and dropping the skins on the floor.

"And that floor'll never get swept till kingdom come," Mrs. Scanlon remarked bitterly. "Her sitting and rocking!"

Mrs. Scanlon had never in her adult life sat down and done nothing on a week day. When she sat down by daylight, she darned stockings, shelled peas, peeled potatoes, stemmed grapes for jelly. The sitting posture had in it something relaxing and shameful that must be excused by the steady, honorable labor of the hands. In the evening she sewed on buttons or crocheted edging for Erie's nightgowns. She looked out and saw the neighbor women rocking, rocking, holding their hands, and flew back to her kitchen to knead a batch of bread, mix up a pan of muffins and a spice cake. In the hottest weather, she hung over kettles of blackberry jam, waxed the floors, whirled the sewing machine, and she baked more than the three of them could eat, out of sheer irritation.

"You oughtn't to work so hard in this heat," her husband would remonstrate. "It isn't like home."

"I have my work to do no matter how hot it is," she would answer proudly. "I wouldn't be like these do-less, no-account things for a good deal."

PRESENTLY Lottie Kent came up the walk and sat down beside Erie. They were in the same room at school. Lottie was the only girl whom Mrs. Scanlon would allow to come to the house and she came nearly every day. Erie looked forward to her coming yet now she felt a little flat. For they always did the same thing. They hung the blackboard on a nail in the high board fence which surrounded the back yard and took turns sitting on a box on the sand to act as pupil. They sang "Silent Night" and "Dixie Land" while the little darkies from the back street peeped through the fence, their eyes shining like marbles between the openings in the gray boards. Erie's mother sometimes brought out a plate of cookies she had just baked and Lottie would gaze at them with a kind of worship.

"Ma can't cook," she would say wistfully. Mrs. Scanlon would toss her head back. Eight children and can't cook!

"Can you come now?" Lottie whispered, humbly eager. "Did you ask her?"



"HE'S THE OFFICIAL WAR ARTIST!" —By John A. Morrow.

"No, I didn't. I know she won't let me." Erie had seen the older Kent children at school and she knew all about the younger ones but she had never been allowed to go to their house. "Come on, we'll get the blackboard," she said without enthusiasm.

Lottie's mouth turned down. "I can't stay. Ma says I been here so many times, I can't come any more till you come to see me."

"Oh dear," they sat staring at the chinaberry tree hovering above its lace-like shadow.

"I can ask," Erie said gloomily, at last, "but I'm sure—" She pushed back her braids and stood up resolutely. Lottie followed her.

Mrs. Scanlon was spacing ruffles on a new dress for Erie. When she heard the request, she looked at Lottie as though she had not expected her mother to show such a developed social sense. But the demand was annoying.

"Why can't you just go and play the way you always do? I baked some cookies."

"Ma says—" Lottie began patiently. Erie blinked with sudden inspiration. "I could take my book and study spelling," she suggested weightily. "We have a test Monday. Lottie and me'll ask each other words."

"Lottie and I," Mrs. Scanlon said. She considered, frowning at her ruffle. "All right, this once," she agreed at last. "But be home by four o'clock."

They set off, hand in hand, walking very fast to make the afternoon longer. From her own house, which was Ontario in little, Erie passed into the drugged southern town. With the click of the gate, the tidy house was gone and enchantments opened, wave on wave. She saw the red earth, a garden in itself, needing no flowers, the streets leading to the blood-red river, shady under the purple-flowered chinaberry trees. She had seen so many wonders and now the Kents. She could hardly walk fast enough.

MRS. KENT, who never went indoors except at night, sat on the verandah holding the latest baby who slept nowhere except sprawled across his mother's lap. She was enormously fat and in the huge willow chair she rocked slowly, the baby's narrow head knocking against the chair arm, its bare red legs dangling over her knee. Erie sat timidly down on the step and Mrs. Kent began at once to talk to her as though she were grown up.

"I'm glad you come. Lottie talked us deaf about the good times she has at your house. What do you think I did? Laws, I'm gettin' more careless every day. I bought Normabelle a white coat—real sweet it was, an' cost a-plenty. An' this mornin' I went to iron the wrinkles out of it an' I scorched the whole back. Dark brown it is. An' Normabelle ain't wore it yet. Ain't that the limit?" She laughed. It was just one of those things.

Erie felt as though she were seeing double. With her mother's eyes she perceived Mrs. Kent's uncombed hair, the dirty baby, the littered verandah. She tried to imagine her mother scorching anything she ironed. But under this layer of dutiful disapproval, she felt, from head to foot, a long shiver of sheer delight.

While their mother entertained Erie, the children prepared a party in her honor. All the children had freckles and thick, rough hair and they all grinned shyly at Erie. Willie May and Percy brought bricks from a pile in the back yard and built an oven on the sand, in which Percy arranged paper and sticks while Willie May peeled potatoes and sliced them into a frying pan. Erie watched enviously; her mother never allowed her to touch the kitchen knives.

Normabelle and Rosalie went to the drug store with their wagon and brought back a clinking case of bottles of Cola Fizz. Percy removed the caps expertly and handed the bottles round. Erie had never been allowed to taste a bottled drink but Mrs. Kent insisted so hard that she drank it and

hid her dislike of its sting. Even Roddy, who could not walk yet, held his bottle in both hands and drank resoundingly and Mrs. Kent gave the baby a few swallows out of her own bottle.

Lottie and Stanley came back from the grocery store with a bag of fancy cookies, a pound of cheese and four large dill pickles. They kindled a fire in the brick oven and set the pan of potatoes on top, squatting in a circle on the sand, gravely absorbed. Lottie brought out the family plates and a handful of knives and forks and the rest poked the fire and stirred the potatoes. Erie, as guest, was invited to cut the pickles into strips and the cheese into greasy cubes. Flames lapped the bricks while the children crouched, watching, with fixed eyes, under the battering flame of the sun. On the verandah Mrs. Kent rocked, shifting the baby's position when he slipped too far down her knees and Roddy hauled himself laboriously through the sand.

When the potatoes were thoroughly burned, Lottie divided them between nine plates and added strips of pickle and lumps of cheese. The cookies passed from hand to hand in their paper bag. Erie sat on the sand with the others, clutching her plate. Her eyes felt strained with eager watching. All this couldn't really be happening. She would not have believed that children could enjoy this marvelous freedom to handle knives and fire and the best plates, to eat store cookies between meals and cheese and pickles at any time. She was grateful for the puckering sourness of the dill pickle and for the sand gritting between her teeth which a little assured her of the reality of what she saw.

When they finished, Willie May laid the plates on the steps, Stanley carried away the warm bricks and they all burst into a game of "run sheep run". Erie, panting through the sand, to hide behind the cottonwood tree, wondered how Lottie could endure playing school in her yard. She wanted never to go home again.

It was only on the way home that she began to be afraid. She was very late and she had gone blocks from the Kent house before she remembered her speller and had to run back for it. It had been the most wonderful afternoon she had ever known and she would never forget a second of it. But mother had told her to come home by four o'clock and it was nearly six. Perhaps she wouldn't be allowed to go for a walk tomorrow. Perhaps Lottie could never come to play with her again. She walked slowly up the steps. There was nothing she could say. She hadn't opened her speller. As soon as she entered the house, she knew that something had happened. Her father had come home and her mother was talking to him in a high, breaking voice.

"I was suspicious about those bites on her neck and I turned down the mattress pad and there—" she groaned and went on wildly. "It's those awful people back of us. You can tell the place is just crawling. But to think such a thing could get into my house—"

"You can't help it," she heard her father say comfortingly. Erie went in and saw her own bed torn to pieces and her mother on her knees beside it, painting the bedstead with kerosene. "To think of such a thing in my house!" she cried again. "I don't feel as if I could ever hold up my head again."

Erie stared, not daring to speak. Whatever her punishment might be, she wouldn't mind. The party had been worth it.

"Oh Erie!" her mother exclaimed. "Run along, that's a good girl."

"What's the matter?" she asked. "I'm just fixing the bed. Run and set the table, dear. Go quick."



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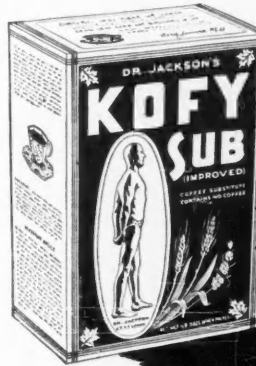
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